

Browsers and buyers, page 4

CPI rises 1.3%

Interest rates going down

By AVI TEMKIN
Post Economic Reporter

The Bank of Israel will reduce interest rates some time this month, Finance Minister Moshe Nissim said yesterday, shortly after the Central Bureau of Statistics reported that the Consumer Price Index rose last month by an unexpectedly low 1.3 per cent. Treasury and Bank of Israel forecasts had predicted a rise of at least 2 per cent in the index.

The March price hike brought the CPI to 170.4 points on a 1985 baseline of 100. In the first quarter of the year the index climbed by 4.5 per cent, well below the rate forecast by the Treasury as a consequence of the 10 per cent devaluation of the shekel last January. The first-quarter inflation rate works out to an annual 19.3 per cent, just below the 1986 figure.

March was the second consecutive month to register lower-than-expected inflation. The CPI took economic observers by surprise in February when it rose by only 1 per cent. The low rate triggered a wave of protests against the Bank of Israel, which had raised interest rates by 1 per cent a month on February 12, partly in anticipation of a bigger rise in the CPI. Earlier this month the bank reduced interest rates by 0.4 per cent a month, and announced it would consider a further drop, depending on economic developments.

Nissim attributed March's low CPI increase to the public's "intelligent consumer practices." But he added that further wage and fiscal restraint was needed to continue to ensure price stability.

Haim Haberfeld, head of the Histadrut's Trade Union Division, said the relatively low increase in prices for last month was the result of the wage earners' willingness to waive part of the cost-of-living allowances due them last month. But Haber-

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Hospital charges soaring

The ministers of health and finance decided last night to hike fees for hospitalization and hospital services, effective immediately.

A day's hospitalization will now cost NIS 202 - an increase of more than 12 per cent.

Services including X-rays and laboratory tests in hospitals have gone up by 20 per cent.

A check-up at an out-patient clinic will now cost NIS 25, and a specialist's consultation will cost NIS 60.

Hospital emergency wards will charge NIS 40 per visit, unless the patient is referred by a health fund or the case is considered an emergency which requires immediate hospitalization. Accident victims will continue to receive free treatment.

The Health Ministry spokesman said that the last rise in hospital fees, three months ago, had been minimal and had not effectively covered costs.

Health Minister Shoshana Arbeli-Almoshino said that to her regret, "the hospital emergency wards have turned into free night clinics. This has affected the medical staff's ability to give assistance in really serious cases."

Arbeli-Almoshino said yesterday's price rise still left "a gap" between the real cost of medical services and the fees charged.

As in the past, health funds will cover hospital fees as agreed in their contracts with their clients, but yesterday's increases are likely to affect health fund dues.



Arab schoolgirls from Gaza pass IDF troops as they make their way down an unused railroad track near the main road through the Strip. The soldiers were patrolling to deter stone-throwers, following renewed violence in the area this week. (Reuters telephoto)

Deportations likely if unrest in the territories continues

By JOEL GREENBERG
Jerusalem Post Reporter

Chief of General Staff Moshe Levy said yesterday that there would be further arrests in the West Bank and Gaza Strip if unrest there persisted. He said he favoured deportation as the "most effective" means of preventing Israeli casualties from Arab attacks.

Defence Minister Rabin said during a visit to the Kalkilya area that 100 activists had been arrested in the territories after last Saturday's fatal petrol-bomb attack near the town in which Ofra Moses, from Alfei Menashe, was killed.

Security sources said deportations were also under consideration. Rabin, Levy, and the coordinator of activities in the territories, Shmuel Goren, met to discuss

possible measures on Sunday.

"If there are more riots, there will be more arrests," Levy told reporters at Central Command headquarters. "More people will be placed under administrative detention." Levy visited the base to take leave of staff officers before he ends his term as chief of general staff.

Levy said he favoured relaxation of legal restraints on expulsion of Palestinian activists, so that the expulsions could be used more liberally.

Levy said "not all the circumstances" surrounding Monday's killing of a Bir Zeit University student by IDF troops were clear. The student, Musa Hanafi, died, and three others were wounded, when troops opened fire to break up a violent student demonstration.

(Continued on Page 2, Col. 1)

Arafat makes sounds about int'l conference

Jerusalem Post Staff and agencies

HARARE, Zimbabwe. - PLO Chairman Yasser Arafat said here yesterday that the U.S. recently has issued "positive signals" about a proposed international peace conference on the Middle East.

Arafat told a news conference that while the U.S. has not decided to participate in a proposed UN peace conference, "in the last few days some positive statements have been made in Washington, the last one by (President Ronald) Reagan himself."

That means most countries likely to be involved in the proposed peace talks, including China and the Soviet Union, had voiced their approval, Arafat said.

"For the first time, therefore there is a consensus to hold the conference. This will be the main topic at

our (Palestine National Council) meeting in Algiers next week."

Arafat, meanwhile, refused to comment on reports from Algeria that the PLO had decided to abro-

(Continued on Page 2, Col. 2)



Yasser Arafat at his Zimbabwe press conference. (Reuters)

Syria knows there's a 'Red Line'

By JOSHUA BRILLIANT
Post Defence Reporter

TEL AVIV. - Chief of General Staff Moshe Levy said yesterday that Israel's interests in Lebanon extend beyond the security zone, and that the Syrians are taking those interests into account. But should Syrian moves lead to an increase in attacks on Israel, the IDF may intervene.

Speaking on Israel TV's *Moked* programme in what was apparently his last appearance as chief of general staff, Levy called attention to Israeli statements that the security zone "is not the limit of our mandate and we may be compelled to handle tasks and targets beyond the security zone."

Levy's comments came after Syrian forces deployed Tuesday on the outskirts of Sidon, the furthest south

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Israel bars heavy water inspection

By BENNY MORRIS
Post Diplomatic Correspondent

Israel has rejected Norway's request that it agree to international supervision of its use of Norwegian heavy water shipments to Israel in 1959 and 1970.

The Israeli response to Norway's request for "clarifications" about the fate of the heavy water was delivered some 10 days ago, shortly after Norwegian foreign minister Thorvald Stoltenberg, in an interview with visiting Israeli diplomatic correspondents in Oslo, implicitly complained about the delay in the Israeli response.

Norway submitted its request for "clarifications" on March 4. The Norwegians asked about the fate of the 21 tons of heavy water shipped to Israel (20 tons in 1959 and one ton in 1970) and whether Israel would agree to submit to international-International Atomic Energy Agency-supervision of its use of the heavy water.

Israel's response was that the Norwegian shipments

were only two among several delivered over the decades to Israel and that it is, at this late date, technically "impossible" to determine what happened to specific shipments. Jerusalem rejected the idea of international inspection as pointless.

Officials in Jerusalem added, in explanation, that the IAEA attitude towards Israel has traditionally been "unobjective."

The Norwegian request for information about Israel's use of the heavy water was triggered by the Vanunu affair and by subsequent, repeated questions on the subject by a left-wing MP, Theo Koriinsky, in the parliament in Oslo. The Norwegian foreign ministry only reluctantly took up the issue with Jerusalem.

A week ago, Foreign Minister Peres, at a meeting in Rome of the Socialist International, conveyed the gist of the Israeli response to Norway's prime minister, Gro Harlem Brundtland. Oslo's reaction to the Israeli response is unknown.

Druse push for 'equality plan'

By ELAINE RUTH FLETCHER
Jerusalem Post Reporter

Israel's nine Druse municipalities are threatening to join forces with Arab local councils if the government fails to approve an "equal opportunity" plan for the Druse.

The five-year equal opportunity plan would give Druse communities tax breaks and subsidies comparable to those received by Jewish development towns, and boost Druse opportunities in education, government employment and industrial development.

Dr. Hamed Sa'ab, secretary of the national committee of Druse municipalities, said that the

Druse organization would seek a merger with its Arab counterpart if the NIS 140 million Druse equal opportunity plan were not approved in the next "two to three months."

"Most of the Druse local council heads are fed up with the government. They feel the government is treating us like the Arabs, so let's go with the Arabs," said Sa'ab, local council head of Abu Snan.

Sa'ab added that the Druse had not yet discussed the merger idea with the Arab municipalities, but he described the proposal as a very serious step.

"We've met with everyone, all the heads of the

Shultz, Soviets near an accord on missiles

MOSCOW. - U.S. Secretary of State George Shultz said yesterday that an agreement eliminating superpower medium-range missiles from Europe was "close at hand." But both Shultz and Soviet Foreign Minister Eduard Shevardnadze told reporters that hard work remained before the superpowers could sign such an agreement.

Shultz held a news conference in Moscow after three days of talks with Mikhail Gorbachev and other top Kremlin officials.

"I think we made quite a lot of progress and perhaps we can see prospects, with hard negotiations ahead, but prospects close at hand of reaching agreement in that area," Shultz said. "Very considerable headway has been made and we should be able to work out agreement in this field with hard work and creative efforts."

Despite a new proposal made on Tuesday by Gorbachev, Shultz said the issue of Soviet SS-12 and SS-23 short-range missiles remained the sticking point for an agreement.

Shultz said he would be carrying Gorbachev's new proposals with him to a meeting of NATO ministers in Brussels today. He left for Belgium shortly after his press conference.

In Santa Barbara, California, President Reagan said yesterday that Shultz's talks in Moscow held promise for an agreement on medium-range nuclear missiles in the near future.

In a statement issued by the White House after Shultz had finished extensive talks with Gorbachev and other Soviet officials, Reagan said consultation with U.S. allies was especially important.

He said Shultz had reported that his Moscow talks covered all items on the U.S. agenda - human rights, regional issues, bilateral affairs, Soviet violation of the U.S. embassy in Moscow and arms reductions.

"I am pleased to report that progress was made in each of these areas, although more clearly remains to be done," Reagan said.

Shultz and Shevardnadze met for several hours before Shultz addressed reporters, and afterwards the Soviet foreign minister offered an upbeat assessment of the possibility



Shultz and Shevardnadze celebrate after signing U.S.-Soviet cooperation treaty for peaceful civilian research in Moscow yesterday. (Reuters)

of a superpower summit in Washington.

Shevardnadze said there was a "rather good prospect" of a Washington summit between President Reagan and Gorbachev. Asked what was still needed, he said, "To roll up our sleeves and work."

Gorbachev offered on Tuesday to

territory.

But he added that the Soviets would be willing to include in the agreement the removal of their shorter-range missiles from Czechoslovakia and East Germany.

The U.S. has no comparable missiles, and the Western alliance has demanded that the shorter-range

Kremlin rejects 'interference'

A Soviet statement on the Shultz-Gorbachev talks prior to the Shultz news conference referred to the human rights issue as follows:

"We will see to it that those who are not satisfied with their country become satisfied....we reject initiatives, bordering on interference in the interior affairs of other states, especially when they are undertaken by high-ranking figures - that does nothing to help solve problems."

Shultz took part on Monday in a Pessah Seder with Jewish refuseniks. (See page 3.)

negotiate limits on Star Wars research and to combine constraints on short-range missiles with eliminating medium-range rockets from Europe.

Shultz said the leader's proposal sticks to the formula of the Reykjavik summit by allowing the Soviet Union 100 medium-range warheads in Asia and the U.S. 100 on its

missiles be considered in any agreement on medium-range ones. But the Soviet Union previously insisted that medium-range and short-range missiles be considered separately.

Shultz said the goal of negotiations on the shorter-range rockets would be to completely eliminate them within a year.

Appeal is likely to be heard in new Shin Bet affair

By MENACHEM SHALEV
Jerusalem Post Reporter

Military legal authorities are preparing to defend the state in a Supreme Court appeal brought by a security prisoner, a former Circassian IDF captain, who claims that he was framed, thus defusing - temporarily at least - the recently revealed "legal-security scandal."

Attorney-General Yosef Harish, after consulting with Prime Minister Shamir and military and Shin Bet officials, has apparently rejected options that sparked controversy: either securing a pardon for the prisoner, or failing to defend the case in court. These moves were advocated by the Shin Bet as a means of circumventing the legal process.

In his first public statement on the issue, ex-Shin Bet executive Yossi Ginosar, who was involved in the investigation of the case in 1980, yesterday emphatically denied any wrongdoing.

Ginosar's attorney, Don Weis-



Head of Israel Export Institute Yossi Ginosar, ex-Shin Bet executive.

glass, said yesterday that "the facts attributed in the media" to Ginosar "were without any basis in reality" and that no legal authority had approached his client on the matter.

Ginosar acted "blamelessly" in the matter, said Weisglass, and his superiors have no complaints about

his actions or those of his colleagues. Ginosar has been involved in "wide-ranging clandestine security activities in which he worked for Israel's defence for long and stormy years," Weisglass added.

MK Ehud Olmert (Likud) said yesterday that Ginosar was "suffering a great injustice" and that his role in the affair was being highlighted for "political reasons" because of his affiliation with Industry and Trade Minister Ariel Sharon.

Ginosar received a presidential pardon after fabricating evidence in the investigation of the April 1984 Bus No. 300 affair. After resigning from the Shin Bet several months ago, Sharon appointed Ginosar to head the Israel Export Institute.

In his request for a presidential pardon, Ginosar claimed that his actions conformed with Shin Bet practice. The security prisoner, who was sentenced to 18 years imprisonment in 1980 claimed at his trial that he had been "framed."

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Five states won't bash Israel

DAR ES SALAAM (AFP). - Five African countries have refused to endorse a resolution by the Organization of African Unity Labour Commission condemning Israel's "oppression" of Palestinian workers in the occupied territories, the Tanzanian daily paper *Uhuru* reported here yesterday.

The five countries - Ivory Coast, Zaire, Gabon, Cameroon and Liberia - voted against the resolution at the one-day meeting held in the northern Tanzanian town of Arusha on Tuesday.

The resolution, which called on the International Labour Organization to offer all-round assistance to Palestinians allegedly suffering under Israeli occupation, was approved by the majority of the OAU labour commission.

The resolution also condemned the U.S. and Britain for their repeated vetoes of resolutions by the UN Security Council calling for mandatory sanctions against South Africa.

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THE WEATHER

Forecast:	Partly cloudy
Yesterday's	Humidity
Jerusalem	27
Golan	24
Nahariya	21
Safed	19
Haifa Port	16
Tiberias	13
Nazareth	11
Alula	9
Shomron	7
Tel Aviv	5
B-G Airport	3
Jericho	1
Gaza	-1
Beersheba	-3
Eilat	-5

ARRIVALS

To attend the International Board of Trustees Meeting of Ramot Shapira Educational Centre:
Mr. and Mrs. Shelley and Bea Goren, Mr. and Mrs. M. Green, Mr. and Mrs. M. Kandel, Mr. and Mrs. S. Spector, U.S.; Mr. and Mrs. H. Green, Canada; Mr. and Mrs. J. Davies, Rabbi and Mrs. M. Friedman, Mr. and Mrs. B. Gorbacz, Dr. Arthur Hubert, Mr. and Mrs. W. Hubert, Mr. and Mrs. A. Kaufman, Mr. A. Kraus, Mr. and Mrs. J. Reid, Mr. and Mrs. Tager, Great Britain; Mr. and Mrs. A. Heide, Belgium; Rabbi and Mrs. Z. Frank Forter, France.
Ida Schickler, B.Sc., M.A., Miami Beach, Florida.

Chirac said cancelling trip to Moscow

By MICHEL ZLOTOWSKI
Jerusalem Post Correspondent
PARIS. — French Prime Minister Jacques Chirac will announce shortly that his official visit to the USSR has been postponed, according to circles close to the government.
Chirac had proposed the third week of May as the date of his trip to Moscow. But less than a month before the visit, the Kremlin had still not given its answer.
The Kremlin's hesitation to confirm the visit is regarded as a gesture of retaliation for the expulsion from France of six Soviet diplomats involved in a spy network dismantled a month ago.
According to press reports, the ring was headed by a high-ranking Soviet diplomat who has since been expelled from France. Moscow retaliated by expelling four French diplomats and two businessmen from the USSR and publicly warned Paris that the affair could damage the "good relations between both capitals."

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OC Central Command Ehud Barak, who deflected soldiers at the scene, said it was not yet clear exactly how and where the dead student was hit. He added that the matter was under investigation.
Levy said the firebombing in Kalkiya was carried out by a terrorist group operating in the area. It had chosen the location precisely because good relations existed between Jews and Arabs in the region.
But, he added, retaliation by Jewish settlers was a "mistake" which could only lead to an escalation of violence.
Rabin yesterday visited the site of the petrol bomb attack. In an exchange with angry settlers from Alfei

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HOME AND FOREIGN NEWS

Road accident deaths mar holiday pleasures

By Jerusalem Post Reporter
Four people died and at least 30 were injured in road accidents yesterday. And one man was crushed to death by a tractor-drawn cart on a southern moshav.
An Ashkelon fireman was hit by a bus and killed early yesterday while helping to clear a road of fruit from an overturned truck.
The truck rolled over on the Ashkelon-Yad Mordechai road at about 5:15 a.m. Fruit covered the road, and policemen and fire brigades were called to clear it.
During the clean-up operation, a bus carrying Arab workers from the Gaza Strip hit David Manshoh, 31, and killed him. The bus then overturned and 20 people were injured.
Manshoh is survived by two young daughters and a wife in her ninth month of pregnancy.
In another accident, 32-year-old Avraham Avrach of Kfar Sava was killed and four other people were injured when their rented car overturned on the Beersheba-Dimona road.
The accident occurred at about 4 a.m., when the driver failed to turn at a bend in the road 11 kilometres from

Beersheba. The car flipped over into a three-metre deep ditch, and Avrach was killed.
Salim al-Awali, 60, was killed at midday yesterday when a pick-up truck hit him while he was crossing a road in the Ramat Hovev area south of Beersheba.
In Haifa, a 26-year-old woman was killed in the afternoon when a truck hit her while she was crossing the street in the lower city. A police spokesman said that the truck had apparently run a red light. Police investigators believe the truck's brakes failed.
At Moshav Prigan in the South, a 38-year-old worker was run over by a tractor-drawn cart and killed.
Ibrahim Abu Amar was riding on the cart when he reached down to grab a basket that had slipped out of his hands. He lost his balance, fell, and was crushed to death.
Four people were injured at midday when three cars collided at the junction of the Beersheba-Hebron and Arad roads. In Beersheba, two people were hurt when their cars collided at an intersection on Derech Shimshon. (Itim)

Tense confrontation on Temple Mount

By ANDY COURT
In a tense atmosphere that at one point threatened to turn into a riot, some 50 members of a group advocating Jewish prayer on the Temple Mount walked through the area yesterday, as police and young Moslems looked on.
According to the provisions of a 1967 agreement between the Israeli government and Moslem officials, Jews are not permitted to pray on the Temple Mount compound, which is administered by the Moslem religious trust, the Wakf.
Police allowed members of the Faithful of the Temple Mount to enter the area seven at a time and walk around the Dome of The Rock, without entering the shrine's elevated area.
The atmosphere became explosive when several Jews tried to enter the elevated area and the Dome of the Rock itself. Wakf guards stopped them. In the courtyard a man shouted in Arabic, "God is great!" Dozens of young Moslems then ran towards the Dome of the Rock. A contingent of at least 40 Border Police in riot gear also ran towards the spot.
After the tension was defused, Span Nissav Eitan Katz pulled back his men and closed off the area to other members of the Jewish group waiting to enter. Arguments in Arabic ensued between police and Wakf

officials, and between Wakf security men and other Moslems in the area.
Sheikh Jamal al-Rifai, an influential member of the Wakf, said the Jews had come specifically to pray on the site and wanted eventually to take it away from the Moslems. "The mosque is special to Moslems," he said. "It is not the place for Jews to come and pray."
But Gershon Solomon, leader of the Jewish group, said that he found it tragic that Jews can pray all over the world, but not in the one place that is their spiritual centre. "This is the house of our nation, the symbol of the Jewish people, and we have to enter it like strangers," he said.
Itim adds: Mayor Kollek has called on Police Minister Haim Bar-Lev to bring the issue of the visit of the Temple Mount Faithful before the cabinet or the inter-agency committee on Jerusalem's security.
In a letter to Bar-Lev yesterday, Kollek said that the visit by the Temple Mount Faithful yesterday was in defiance of a 1967 government decision to ban such visits.
Kollek noted that although all Jews had the right to visit the Temple Mount, the Temple Mount Faithful clearly intended to change policy concerning the Mount. "The government must decide if their position is right, but in the meantime it is important to uphold the decision, made 20 years ago," Kollek wrote.

ARAFAT

(Continued from Page One)
gave an agreement with Jordan to jointly negotiate a Middle East peace settlement with Israel.
Some press reports have stated that Arafat would publicly announce his decision to abrogate the 1985 Amman accord today. But Arafat said such a decision would be made "democratically."
The Palestine National Council (PNC) is expected to take up the issue at its meeting next week. Arafat, who is attending a meeting of the Non-Aligned Movement here, said he will return to Algeria to continue reconciliation talks with PLO factions before the PNC meeting begins.
A decision by the PLO to abrogate the agreement with Jordan may delay efforts to convene an international Middle East peace conference. Egyptian President Hosni Mubarak was quoted as saying yesterday.
But Israeli Foreign Ministry sources said yesterday that they don't think termination of the 1985 Amman accord would affect the peace process.
The sources predicted that Arafat

ultimately would take a "middle-of-the-road" position.
That view parallels some reports from Algeria that the PNC next week will likely approve an "altered" version of the Amman agreement.
Announcing the accord is said to be a condition of hardliners for joining the PNC meeting, notably George Habash of the Popular Front for the Liberation of Palestine.
In Damascus, Syrian President Hafez al-Assad met yesterday with Algerian Foreign Minister Ahmed Taleb Ibrahim amid signs of Syrian discontent at the ongoing dialogue in Algiers among rival Palestinian factions.
In other Middle East peace moves, Belgian Foreign Minister Leo Tindemans reaffirmed the European Community's commitment to an international peace conference at the start of his mission to three Arab states.
In Cairo, Soviet Ambassador Gennady Zhuravlyov said that a top Soviet official would visit Egypt soon for talks related to the holding of an international Middle East peace conference.

Haifa celebrates with flowers

Thousands flock to Jerusalem

By Jerusalem Post Staff
The capital was flooded with visitors and tourists yesterday, the first intermediate day of Pessah.
Thousands of people flocked to the Western Wall and other sites in East Jerusalem and there was heavy traffic in the western part of the city as well. Hundreds of families picnicked in Sacher Park near the Knesset.
Large crowds are expected to visit the Western Wall today for the traditional priestly blessing.
Shortly before noon yesterday, the main entrance to Jerusalem was closed by police because of a march by the Elitzur religious sports organization. An eight-kilometre-long traffic jam, extending as far as the Motza bridge, ensued.
Hundreds of fresh flowers from Israel and abroad arrived in Haifa yesterday where the 24th annual International Flower Show is in progress. Some 85,000 people have already visited the event, which opened on Sunday.
The exhibition will remain open until the end of Pessah.
Haifa is also hosting a national stamp exhibition, which will open today at Heichal Hasport in Remema.
In the city's recently opened pedestrian mall on Rehov Nordan, a non-kosher restaurant has made a temporary change from ham to hamburgers. "We are pleased to announce that we serve no hametz on Pessah," the Popolo restaurant informed customers.
As thousands of vacationers continue to stream southwards for what has become a traditional post-Seder exodus, this year's unprecedented number of Negev-bound motorists has emergency service personnel running ragged.
At remote highway junctions throughout the Negev, police have been on duty around the clock, directing the estimated 30,000 vehicles heading for various desert destinations during the Pessah holiday.
Operators of Negev tourist facilities could hardly be happier, as new attractions have swelled by an appreciable margin the number of Israelis touring the south this spring.



William Stern, natural father of 'Baby M,' carries the infant from a New Jersey welfare home after the state's supreme court ordered resumption of visitation rights by surrogate mother Mary Beth Whitehead. (AFP)

Shamir calls for peaceful coexistence

By LEA LEVAVI
Jerusalem Post Reporter
TEL AVIV. — Arabs and Jews are destined to live in this country together forever and will therefore have to find the way to coexistence through direct negotiations, Prime Minister Shamir said last night at the opening of the Writers' Convention here.
Such negotiations, he said, do not require the involvement of "foreigners who want to gain from our suffering and that of our neighbours."
He urged terrorist organizations to take a look at what they have — or rather have not — accomplished through terrorism: "It has only brought suffering to their own people and has not brought them even a millimetre closer to their goals. They should compare that to how far we have come."
Also addressing the convention, Education Minister Yitzhak Navon expressed concern that education and culture were becoming more and more the province of the rich.
Throughout the speeches, participants shouted their protests against the way they are treated financially by the state. Bina Ofek, widow of writer Uriel Ofek, said dead authors in Israel "die twice" because their families do not receive any posthumous royalties. Dan Ben-Amotz yelled out that the government "robs" authors.
Writers' Association chairperson Shulamit Lapid finally silenced the audience by saying that some problems had to be left for conference deliberations today and tomorrow.

Probe urged on Rafal's alleged wire tapings

Jerusalem Post Staff
Labour MK Haim Ramon has called for an investigation of reports that former chief of general staff Rafel ("Rafal") Eitan tapped the telephones of then-prime minister Menachem Begin and top generals in 1980-81.
Ramon is urging Defence Minister Rabin and the legal adviser to the government to look into the charges. Mordechai Virshubski (Shinui) is asking for judicial supervision of military wiretapping.
He pointed out on Israel Radio yesterday that the military and the intelligence services at present need permission from the defence minister or the prime minister to wiretap.
Eitan declined to comment on the accusations. "I won't refer to the matter," he said.
Eitan was chief of general staff between 1978 and 1983, and led the 1982 invasion into Lebanon.
An unidentified general reportedly believes that listening in to the telephone conversations of senior army officers is still going on.
Eitan reportedly ordered communications officers to listen in to the conversations from the basement of a luxury office building.
Among the generals whose conversations were monitored was then-commander of the Southern Front, Dan Shomron, the newly appointed chief of general staff.

Vandals visit Acre church

By DAVID RUDGE
Jerusalem Post Reporter
ACRE. — Arab residents here yesterday blamed "racist elements" for a suspected arson attack on a little-used Protestant church in the centre of this Jewish-Arab town.
Intruders apparently broke into the building, in Rehov Lohamei Hageta'ot, by forcing open a window.
Several chairs and holy books were burned and the church organ was slightly damaged in the incident, which occurred early Sunday morning. The church is only used once a week and on religious holidays.
Veteran town councillor Ramzi Khouri said racist slogans calling for the expulsion of Christian and all other Arabs from Israel and praising Kach MK Meir Kahane had been daubed on the walls.
Khouri said the incident resembled a break-in at an Arab school last October when property was burned and "racist slogans" were found in a classroom.
"It seems that there are certain elements which are trying to undermine the cordial and harmonious relations that exist between the ethnic communities in our town," he said.
Arab leaders called on the police to apprehend the perpetrators and thereby avert a possible backlash.
Representatives of the minority Protestant community in Acre have invited civic and religious leaders of all faiths to attend a meeting at the church next Tuesday to discuss the incident and ways of further improving relations between the communities.

Soviet spare parts for Egypt

CAIRO (Reuters). — Soviet Ambassador Gennady Zhuravlyov was quoted yesterday as saying his country would resume supplying military spare parts to Egypt.
The semi-official Al-Ahram newspaper quoted Zhuravlyov as telling a news conference here that the agreement was reached after visits to Moscow by Egyptian military delegations.
The Soviet Union was Egypt's main arms supplier until the early 1970s, when late president Anwar Sadat expelled thousands of Soviet military advisers from the country.
Although the U.S. is now Egypt's main military supplier, the armed forces still rely on Soviet material which has been modernized and modified with help from the West.

Bonn's technology minister here

Jerusalem Post Reporter
German Science and Technology Minister Heinz Riesenhuber is here on a two-day visit to attend the board of governors meeting of the German-Israeli Foundation for Scientific Research, of which he is president. The DM 150m. foundation was established last year following visits to Germany of then-prime minister Shimon Peres and Science and Development Minister Gideon Patt. During his brief visit, the German minister is to meet with President Herzog, Prime Minister Shamir and Vice Premier Peres.

In deep sorrow, we announce the death of our dear
HANOCH MEITELES
Munich, Germany
The funeral details will be given in a separate announcement.
Mourners:
Wife: Tosha Meiteles
Son: Sigmund Meiteles, and family
Son: Benjamin Meiteles, and family
His brother, grandchildren, and all the family

Our beloved
DOROTHEA SALOMON
passed away on Pessah.
The funeral will take place today, Thursday, April 16, 1987, leaving at 11 a.m. from the Municipal Funeral Parlour, 5 Dafna St., Tel Aviv, for the Southern Cemetery, on the Holon-Bat Yam boundary.
Transportation will be available for those attending.
The Bereaved:
Her sons, Gabi and Mishi Salomon and the family

With deep grief and great sorrow we announce the sudden death of our beloved
TIBOR ORBAN (Engel)
Agronomist
Nyiregyhaza — Rehovot
The funeral will take place today, Thursday, April 16, 1987, at 11:30 a.m., at the New Cemetery, Rehovot.
We shall meet at the entrance.
The bereaved:
His wife: Agnes
His brother and sister-in-law: André and Vera Engel, and children — San Francisco Family and friends

The International Centre for Peace in the Middle East
mourns the death of
SIMHA FLAPAN
whose love of peace led him to become a founder of the Centre.

CBS News, Tel Aviv
We share the deep grief of our colleague
TERRY PLATINGA
and his family, on the death of his wife
JENNIFER
Friends at CBS Tel Aviv

Oz veShalom and Netivot Shalom mourn the passing of
SIMHA FLAPAN
a lover of justice and peace, a man of courage, a teacher and friend to Jews and Arabs alike.
May his memory be for a blessing.

With deep sorrow, we announce the passing of our cherished
Dr. SAMUEL HAUSLICH
Vatra-Domei, Bucharest, and Jerusalem
The funeral took place on April 10, 1987, in Jerusalem.
His Wife and the bereaved family in Israel, the USA and Germany

DEPORTATIONS

Menashe Rabin said that the IDF now had more troops in the territories than it deployed along the border with Lebanon. He added that the settlers in the territories faced a similar threat to that along the Lebanese border. There were more terror casualties inside Israel than in the territories, Rabin said.
Kalkilya Mayor Abdel Rahman Abu Snehineh also arrived at the site of the attack. He offered to help Alfei Menashe settlers illuminate a monument they had erected there.
In a visit later in the day to Gaza Strip settlements, Rabin rejected warnings by settlers that they would take vigilante action to protect themselves.
"We will not tolerate law-breaking by any side," Rabin said. "Law and order in the area is the sole responsibility of the IDF and security forces."
Rabin rejected settlers' demands to uproot orchards from which petrol bombs had been hurled, but he noted that the current government had carried out more deportations and administrative detentions of Palestinians than any previous government.

In Rafah yesterday, two Palestinians were shot in the legs by troops who broke up a protest after a curfew was lifted from the town.
Late last night an Arab student tried to assault a guard at the entrance to Kiryat Arba and was shot and seriously wounded in the chest, military sources said.
According to lawyer Eliakim Haetzni, the student, from the Islamic College, entered the gate to Kiryat Arba carrying an object which the guard assumed was a grenade. When the student tried to attack him, the guard fired shots in the air. The student continued assaulting him, shouting "Allahu Akbar," and the guard shot him in the chest.
Asher Walifish adds: Sara Doron, chairman of the Likud Knesset faction, issued a statement yesterday expressing the faction's support for Rabin and his actions in the areas. The steps taken by Rabin are calculated to protect the lives and enhance the welfare of the residents of Judea, Samaria and the Gaza Strip, she said.
A different opinion was voiced by Yossi Sarid (Citizens Rights Movement), who charged that Rabin had surrendered to Gush Emunim.

With deep sorrow, we announce the passing of
PHILIP (Ephraim) FLIDERBLUM
Daniel and Libbe Avivi, son and daughter-in-law
Shmullik and Amos Avivi, grandchildren
Call family for details. Burial in Herzliya.

Soviet human rights problems

Shultz to send report to Israel

By ROBERT ROSENBERG
Jerusalem Post Reporter

U.S. Secretary of State George Shultz will be sending a report to Jerusalem about his discussions on Soviet human rights problems during his trip to Moscow this week, American and Israeli sources said yesterday.

U.S. embassy sources in Tel Aviv did not rule out the possibility that a special envoy would be coming to Israel to make the report. It is expected to cover both Shultz's personal experience as host of an unprecedented Seder at the U.S. embassy in Moscow for more than two dozen refusenik families, as well as Soviet official reactions to his comments on human rights violations in the Soviet Union.

Shultz is stopping in Europe today to meet with NATO officials to report on the Moscow sessions which, while focusing on nuclear arms control, also covered human rights and regional issues.

The demonstrative Seder at the U.S. embassy came barely two weeks after British Prime Minister Margaret Thatcher held an unprecedented Moscow meeting with leading refuseniks, including former Prisoner of Zion Yosef Begun.

It was not known in Israel last night whether Shultz and his Soviet counterpart, Eduard Shevardnadze, discussed the international peace conference idea mooted by King Hussein, President Mubarak and Foreign Minister Peres. Shultz has been lukewarm on the international conference proposal, arguing that the Soviets have to prove "constructiveness" before they can participate in any Middle East peace process.

Peres yesterday sent Shultz a letter expressing "admiration for the moving and unprecedented gesture. It was a noble manifestation of the struggle for freedom expressed by this holiday, the festival of freedom,

and of your firm support for the historical aspiration of the people of Israel to unite in its land," said Peres.

"It was also yet another example of your friendship with our people and a magnificent expression of your leadership and the principles of universal justice which guide you, all of which we have grown to cherish during our joint efforts for peace and a better world."

The foreign minister added that Shultz's efforts "reinforced our determination to continue our struggle for the implementation of the historical call so relevant today: Let Our People Go."

In another development, President Herzog received a Pesach message from the Moscow headquarters of the Russian Orthodox Church — the first such direct communication, said the president's office, in several years.

The Metropolitan of the Church, which is closely monitored by the Soviet Communist Party, wrote that he hoped for "peace, mutual understanding and justice [to] triumph on the earth among all people." Herzog's office said.

Communications between Jerusalem and the Moscow Church were affected by the 1983 murders of two Russian Orthodox nuns at an Ein Kerem convent in Jerusalem. An American tourist was eventually arrested and convicted of the murder. He was deported to a U.S. institution for the criminally insane.

One of the purposes of a planned Soviet consular delegation to Israel is to review property owned by the Soviet authorities, including the Red Russian Church properties. Real estate sources have estimated that the Soviet-owned property in Israel could be worth as much as \$1.5 billion.



Soviet Jewish dissident Yosef Begun and his wife Inna arriving at the U.S. Embassy in Moscow for the seder on Monday night, which was attended by U.S. Secretary of State George Shultz. (AFP telephoto)

Emotional seder at U.S. embassy in Moscow

By LOUIS RAPOPORT

The emotional Seder at the American ambassador's residence in Moscow, attended by U.S. Secretary of State George Shultz and 42 refuseniks, came at a time when several of the leading activists are on hunger strike to protest their continued detention in the USSR.

Shultz told the Seder participants — many of whom were former Prisoners of Zion — that he strongly identified with their cause and that they should never give up their struggle. But he added that on the issue of Jewish emigration, it was difficult for the U.S. to make progress with the Soviets.

Among those attending the Seder were recently freed prisoner Yosef Begun, Ida Nudel, Vladimir Slepuk, Natasha Khassina, Alexander Lerner, Alexander Ioffe, Yuli Kosharovskiy, Victor Brailovsky, as well as Tanya Edelstein and Natasha Ratner-Magarik — the wives of the two remaining Prisoners of Zion.

According to several of the participants, reached by telephone from Jerusalem, those who attended the unprecedented event felt confident that Shultz would press Soviet officials for the release of a much larger number of refuseniks than are currently being allowed out.

"He told us that our problem was an important concern of President Reagan's and of the entire U.S. government, and that Soviet Jewry was important to Soviet-American negotiations," said former Prisoner of Zion Victor Brailovsky, who was recently turned down for an exit visa for Israel after nearly 20 years of trying.

Shultz spoke at the beginning of the Seder, and afterwards talked individually with most of the participants, including Leonid (Eli) Yuzefovich, who was on the 26th day of his hunger strike.

"Shultz spoke very warmly, and showed that he has a deep interest in the refuseniks," Yuzefovich told *The Jerusalem Post*. "He said that he came to Moscow to talk about arms control, but that this human rights issue is also of extreme importance and that the U.S. always talks of it."

Yuzefovich, leader of the Israel citizenship movement (some 800 Soviet Jews have Israeli citizenship and are seeking repatriation), said yesterday that he will not eat anything "until I get some sign from the authorities that my case is being reviewed."

Yuzefovich, a Hebrew teacher who has been a refusenik since 1979, is being denied an exit visa because he served in the Red Army in the early 1970s and is therefore said to hold "state secrets" (Soviet Jewish activists point out that this classification is given to all the old-time refuseniks and to anyone else the Soviet authorities do not want to free, even if they performed only menial tasks in the army 20 years ago). His wife, Ekaterina (Katya) Glazman, is pregnant with their fifth child.

"Shultz spoke to Katya and myself privately for a few minutes and asked me about my hunger strike. I told him it was necessary to fast even on Pesach to demand our rights. He said he would do everything he could to help us, and took a letter and photo from us to give to our family in Israel. He's a Mensch."

The Jewish activist contrasted the positive feelings generated by Shultz with what he termed the negative impact of the recent visit by Jewish leaders Edgar Bronfman and Morris Abram. Brailovsky also had nothing good to say of the Jewish leaders' March visit: "It was absolutely useless and senseless," he said of a meeting between refusenik leaders and two North Amer-

ican Jews. "They told us nothing at all," Bronfman, he said, was poorly briefed about the situation of Soviet Jews, while Shultz, in contrast, seemed well-informed and up-to-date about the issue.

At the Seder, Shultz presented long-time refuseniks Vladimir and Maria (Masha) Slepuk with a letter and photos of their grandchildren in the U.S., whom they have not been allowed to see. Vladimir Slepuk ended a 17-day fast (to mark the 17 years he has been refused an exit visa) for the Seder.

Shultz told the Slepaks that it was a privilege to meet them and to bring them the letter from their son. According to Maria Slepuk, the secretary of state was told about the worsening condition of another leading refusenik, Lev Elbert, who, together with his wife, Chana, was marking the 40th day of his fast.

Elbert, reached in Moscow yesterday at the flat of Natasha Khassina, was too weak to respond to most questions, but said that he would fast "until the end" unless he got "some hint of a positive step" by the Soviet authorities.

Foreign Minister Shimon Peres telephoned the 38-year-old former Prisoner of Zion two days ago to ask him to end his hunger strike, but Elbert refused. His wife, a cardiologist, and their 16-year-old son, Carmi, are also on hunger strike.

The phenomenon of hunger strikes, highlighted by the Shultz Seder, is likely to spread among the veteran refuseniks, according to the activists. Several weeks ago, the presidium of the Supreme Soviet announced that a commission was being set up to review the continued denial of exit visas on grounds of "state security," but the Jewish activists say that so far, there has been no change.

More arson attacks on trains in South Africa

JOHANNESBURG (AP). — Armed police guarded railway coaches and stations in Soweto yesterday as more arson attacks were reported on trains of the strike-hit government transport company.

The South African transport services have blamed striking black rail workers for the attacks, which have disrupted travel for hundreds of thousands of Soweto commuters.

The government said 16 trains were set afire or stoned on Monday and Tuesday, and there were unofficial reports of at least two more arson attacks yesterday.

Officials of the South African railways and harbour workers union, which says 22,000 of its members are now part of the month-old strike, told reporters yesterday the union was not responsible for the attacks and did not condone them.

They threatened to sue Transport Minister Eli Louw for blaming strike-related violence on the union and distributed affidavits by strikers saying they had been assaulted by

police or railway supervisors. "Violence is inevitable in a conflict of this magnitude," union spokesman Mike Rossos told a news conference. "It is management's intransigence that has created a climate of violence."

Several police officers arrived outside the building during the news conference. The South African Press Association said the officers sprayed tear gas at a group of rail workers gathered outside.

The government's Bureau for Information said eight coaches on six trains were set alight and two coaches were stoned on Tuesday. On Monday, fires damaged 26 coaches on 10 trains as commuters returned from Johannesburg to Soweto, a township of more than 2 million blacks.

The *Star* newspaper said signalling equipment also was damaged on Tuesday, forcing a temporary suspension of services on one line into the vast Soweto township 20km. from Johannesburg.

Veteran Fanfani asked to form Italian gov't

ROME (AP). — Italy's president yesterday asked former five-time premier Amintore Fanfani to form a government, a move expected to lead to early elections in June.

President Francesco Cossiga turned to the 79-year-old Fanfani, a Christian Democrat who is president of the Senate, after politicians failed to resolve a six-week-old deadlock that followed the resignation of Socialist Premier Bettino Craxi.

The latest attempt ended on Tuesday night when Oscar Luigi Scalfaro, a Christian Democrat, reported he was unable to resurrect the five-party coalition that governed Italy for 3½ years under Craxi.

Fanfani headed four governments between 1954 and 1963 and a fifth in 1983 that led the country into early general elections.

After a 20-minute meeting with Cossiga, Fanfani told reporters that

the president had asked him to form a government and go before parliament as soon as possible. It was not immediately known whether Fanfani would try to form a coalition or only a minority government of his Christian Democrat party.

Fanfani noted that both Scalfaro and Foreign Minister Giulio Andreotti before him had been unable to form a majority coalition that could govern through the scheduled end of the legislature in 1988.

Stressing his position as senate president, a role seen as above partisan politics, he said he accepted the mandate because of the deterioration of the political situation. Last week he turned down Cossiga's request to form a government.

Craxi resigned on March 3 in a dispute over power-sharing with the Christian Democrats, Italy's dominant party.

'Israelis monitor new Syrian deployment'

BEIRUT (APF). — Israeli aircraft flew over Sidon and Beirut yesterday morning, twice breaking the sound barrier, while an Israeli gunboat reportedly cruised off the coast of southern Lebanon. The IDF moves followed Tuesday's deployment by the Syrian army into the outskirts of Sidon.

A Moslem-controlled radio said later waves of Israeli jets flew over Sidon last night, dropping flares around the city.

There was no immediate military response by either Syrian or Palestinian artillery positions.

"It seems the Israelis were on reconnaissance missions to monitor the new Syrian deployment," said a Lebanese police spokesman after the repeated supersonic flights. He could not be named in keeping with standing regulations.

It was the first time the Syrians had been in the suburbs of Sidon since the Israeli army chased them from there during the 1982 invasion. The city has long marked an undeclared Israeli boundary for the Syrian presence in Lebanon.

There has been heavy fighting around the town between Shiite militiamen and Palestinians in recent months.

About 120 soldiers from elite Syrian units deployed Tuesday with Lebanese troops along the 43 kilometre coastal road between Beirut and Sidon.

The bulk of the Syrian force set up an advanced position Tuesday night on the Awali bridge, which controls the northern approaches to Sidon, and is about 8 kilometres from two Sidon area Palestinian refugee camps.

Residents of Sidon told reporters they were anxious over the presence of Syrian troops close to Palestinian refugee camps in the area. Many see a danger of conflict between the Syrians and Palestinians loyal to PLO Chairman Yasser Arafat, who is not on good terms with President Assad.

Palestinian residents of Miyeh-Miyeh and Ein al-Hilwe refugee camps to the east of Sidon, declared themselves ready "either for war or for peace."

Bonn confirms: Submarine firms chase Saudi deal

BONN (Reuters). — West German businessmen were in Saudi Arabia last week lobbying for submarine sales as a row erupted over the issue during a state visit to Bonn by Israel President Chaim Herzog, a government spokesman said yesterday.

Spokesman Norbert Schaefer confirmed reports that representatives of West German submarine firms travelled to Riyadh, though chief government spokesman Friedhelm Ost last week said that arms exports to Arab countries "were not an issue at this time."

A public controversy over Bonn's bid to sell submarines to the Saudis erupted last week as Herzog was in West Germany.

Israel is strongly opposed to the deal and Herzog told his hosts last week they had a moral responsibility to ensure West German arms could never be used to attack Israel.

Right-wing members of the governing coalition have said that Saudi Arabia needs defensive weapons and Bonn should have the right to supply them.

The government said last Friday that Defence Minister Manfred Woerner had written to the Saudi government that Bonn supported the tender for the \$4 billion contract.

Government sources have said the row could create insurmountable political obstacles for the West German bid which is being challenged by Britain, France, Italy, the Netherlands and Sweden.

FOREIGN BRIEFS

King Hussein has ear operation in Britain

AMMAN (Reuters). — King Hussein had a second successful operation on his right ear last Sunday, Prime Minister Zeid al-Rifa'i said last night.

Rifa'i, who returned from Britain yesterday, told Jordan TV that the king would return home within a few days.

U.S. jets for Honduras

TEGUCIGALPA, Honduras (AP). — The Honduran government announced Tuesday it will accept delivery in December of four advanced fighter jets from the U.S., the first of up to 24 it is to receive.

U.S. officials here said in March that negotiations were nearly completed on the sale of F-5E fighters to Honduras.

Honduran military officials had considered buying Kfir fighter jets from Israel but gave up that idea "because of technical details," army spokesman Col. Manuel Benavides said.

Soviet envoy to Gulf

KUWAIT (Ruter). — Soviet Deputy Foreign Minister Vladimir Petrovsky arrives in Kuwait today on a Gulf tour expected to boost Moscow's growing profile in the area amid Arab disenchantment with Washington. It comes amid signs the Gulf emirates favours a bigger superpower role in regional security, as fears persist of a spillover of the 6½-year-old Iran-Iraq war.

Gaddafi's children speak

ROME (AP). — Libya's news media reported yesterday that Col. Muammar Gaddafi greeted participants in a "peace march" in Tripoli marking the first anniversary of the U.S. bombing raid yesterday and that two of his children spoke about the attack.

Speakers at the Tripoli rally included British legislator Ron Brown, a member of the Labour Party, and representatives of various Black and Spanish-American groups in the United States.

Tories lead in poll

LONDON (Reuters). — Britain's ruling Conservative Party received a further electoral boost yesterday when a major opinion poll gave it a 10-point percentage lead over the opposition Labour Party.

The Marplan Poll put popular support for the Conservatives at 40 per cent and Labour at 30 per cent. The centrist alliance of Liberal and Social Democratic Parties trailed with 27 per cent.

Confirmed ferry dead all British nationals

ZEEBRUGGE (AP). — All 174 people who are confirmed to have died in the March 6 ferry disaster off this North Sea port were British nationals, officials said yesterday. At least a dozen corpses were still believed entombed in the submerged car decks of the vessel.

The ferry, which was sighted last week, was still listing slightly yesterday following a weekend storm that has delayed recovery of the remaining bodies, a spokesman for the West Flanders governor said.

Row in Indian parliament

NEW DELHI. — Both houses of the Indian parliament were plunged into a storm again here yesterday as opposition members demanded statements from Prime Minister Rajiv Gandhi on the resignation of Defence Minister Vishwanath Pratap Singh.

There was uproar in the lower house, which also was to take up a no-confidence motion against Speaker Balram Jakhar, after an opposition motion to allow additional time for the debate was overwhelmingly rejected.

As soon as the lower house assembled after a four-day break, the

entire opposition was on its feet shouting for suspension of question hour and a statement from Gandhi on Sunday's resignation.

Singh quit after ordering a controversial probe into an alleged \$24 million kickback on a single defence deal.

Meanwhile, the upper house was adjourned for 15 minutes following an uproar among the opposition demanding Gandhi's presence as members prepared to discuss the hiring of a U.S. detective agency to unearth illegal billions stashed away abroad by Indians.

(AFP, Renter)

Europeans report higher radiation

BONN. — Several West European nations have confirmed they measured abnormally high levels of radiation last month and some experts said the increases were due to a nuclear power plant accident in the Soviet Union.

The reports of increased radiation came nearly a year after the Soviet nuclear accident at Chernobyl, which sent clouds of deadly radioactivity across Europe.

West Germany said it will ask Moscow about the higher radiation levels, but the Soviet Union has denied it was the source of the emissions.

France, Norway, Sweden, Switzerland and West Germany reported varying increases in radiation but experts in each country emphasized there was no danger.

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In this weekend's Ha'aretz

Everything you wanted to ask (about the affairs) but no one would tell you/Yael Marx

Unrest in the West Bank:

Judea and Samaria vs. the West Bank/Poles

People and Territories/Uri Nir

Alfei Menashe, before and after/Mordechai Artziel

CAUTION, SPRAY /Tamar Maros

Organized Crime in Israel: The Trial/Dan Kislav
The List of 11: where are they today?/Benven Shapira

I am not an Anti-semit

Ernst Goltz explains himself

Daniel Dagan

A. Schweitzer on sensitive points in foreign policy • Nadav Shragai: questioning Teddy Kollek — the record • Haim Handwerker: Tel Aviv, a polarized city • The radio and TV programmes, and all the usual weekend features.

BEIT MIDRASH LESHALOM

SPRING COURSES:

In HEBREW (4 Tuesdays, beginning April 21):

DR. TSEVI MAZEH — "TERRITORIAL COMPROMISE: HALACHIC PERSPECTIVES"

Different approaches to the mitzvot of conquering and settling the Land of Israel and the question of exchanging land for peace. (7:15-8:30 p.m.)

MS. ELFI GOODMAN-THAU — "THE BOOK OF RUTH AND THE IDEA OF REDEMPTION"

Exploring the place of the individual in the process of redemption as one of the cornerstones of faith. (8:45-10:00 p.m.)

In ENGLISH (4 Thursdays, beginning April 23):

DR. STEVEN COPELAND — "RELIGIOUS INTERPRETATION IN DEFENCE OF HUMANISM"

Inner Biblical, Rabbinic, Medieval, and Modern sources that uphold and celebrate human freedom and initiative, natural law and reason, universalism and peace as the most religious of values. (7:15-8:30 p.m.)

RABBI SHELTON LEWIS — "ECOLOGICAL INTERDEPENDENCE AND MORAL RESPONSIBILITY"

Biblical, Midrashic, Liturgical, and Kabbalistic texts on the obligation of man/woman towards the intricate web of Creation. (8:45-10:00 p.m.)

Hebrew courses meet at Machon Hatzikhu, 15 Hatzikhu Hamelech Street, Old Katamon, Jerusalem. English courses meet at 5 Aza Street, Rehavia, Jerusalem, top floor.

Registration by telephone or in person, half an hour before first session. Registration fee: NIS 10 per course.

For further information, contact Oz veShalom-Netivot Shalom, P.O.B. 4433, Jerusalem Tel. 02-690712.

B'nai B'rith Hillel Foundation at the Hebrew University

invites the public to a dialogue in English between

Professor Shlomo Avineri

Hebrew University and

Abraham Foxman

Associate Director, ADL of B'nai B'rith

on

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Knesset Member

Rabbi Meir Kahane

speaks on

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(in English)

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(near Davidka Square, in the centre of Jerusalem)

Saturday, April 18, 1987, at 9:00 p.m.
at 31 Ussishkin St., Jerusalem

Admission: NIS 5

For information, call Kach: Tel. 02-247202, 02-690555

Family pride

"AREN'T YOU proud of your classmate?" Hadassa Sherman faintly scoffs. She has been chosen "Distinguished Citizen of Tel Aviv," much to her surprise, but she has not lost her sense of humor, or her practical bent of mind. There is a family feeling among the graduates of her class from the Herzliya Gymnasium. Though the years spent at school are comparatively few, and the contacts between the graduates in post-school years are relatively rare, there is a sort of family feeling among us which closes the gap the moment one sees a classmate succeed.

It was obvious to everyone in our class that Hadassa was a musician. She was barely 14 or 15 when she wrote and produced an opera with members of her class. "I was obviously inspired by a performance of *Roméo and Juliet* given by Golinkin's Palestine Opera, to which I was taken by my parents' friend, Meir Dizengoff. Under the influence of *The Love for Zion*, which we were discussing in class, I made my heroes Amnon and Tamar, the protagonists of the novel. My prima donna was a girl from my class, Yehudit Bialik. But the boys of our class refused to cooperate, insisting that play-acting was below their male dignity. Happily some boy in a lower grade agreed to sing. My younger brother, who studied violin, and one or two other boys, provided the music with my piano. Dizengoff was in the audience as was Bialik. It was a big success. It had to be, I was young and did not think for a minute that failure was possible."

She began pounding on the piano "by pure chance." It was in Haifa, where scores of Jews were deported from Tel Aviv at the beginning of World War I. "We lived in the German Colony, on the ground floor of a house where the Pevsner family occupied the first floor. The Pevsners, a name to remember in Haifa's history, had a piano. And I rather liked evoking sounds by pressing the

keys. So they arranged for music lessons."

The Haifa period was memorable for other reasons, too. "We spoke only German among us, and the children were instructed to keep very quiet, and never tell strangers where we lived. Refugee status was not without its dangers."

BACK IN Tel Aviv where her father, a doctor, was president of the Medical Association, Hadassa had the benefit of the best musical instruction the budding metropolis had to offer. Prof. Rozovsky, composer Yoel Engel, Yehudiya Gorohov — she took lessons from them all in addition to her regular studies with Rivka Burstein-Arber. A year after she graduated from Herzliya, Hadassa was sent to the musical academy in Leipzig, Germany. "Just imagine — without a word of German! I had forgotten all I knew as a child." Eventually, she graduated, after writing a study of old Jewish musical traditions.

"I think I am quite good at the piano," Hadassa Sherman modestly confides. "But I've never wanted to be a concert pianist. My ambition, even when I was in school, was to become a teacher at the Herzliya Gymnasium." Accordingly, she took lessons on *Schulmusik* from a professor at the Leipzig University, and, on coming back home, she had little difficulty in realizing her dream.

She showed as much audacity in her professional life as she displayed as a child. One of her outstanding feats was the school performance of



Hadassa Sherman: a distinguished citizen.



Sraya Shapiro

Aida. "Well," she admits, "I would have never been able to bring it off without the help of a professional conductor, Ze'ev Priell, who arranged the score to suite the children's abilities." Priell, incidentally, is Hadassa Sherman's husband. Wolfgang Friedlander was a young conductor who came to Tel Aviv in the wake of Hitler's persecution. He conducted the first symphonic orchestra in Tel Aviv, a few years before Huberman created the Philharmonic.

Whatever Mrs. Priell's contribution to musical education in this country, the honour conferred upon her was due not in the least degree to her hobby: the Herzliya Gymnasium. She heads the association of graduates of the first Hebrew high school, and manages the school's archives. Painstakingly she traces the tracks of every pupil, from the moment they entered the school to their whereabouts today. A large hall in the basement of Herzliya Gymnasium's new building has been converted into a veritable museum, exhibiting rare photographs of the early teachers and pupils, all wearing *barbushes* as required by the Young Turks. A wall is devoted to a long list of names of the Gymnasium pupils who fell in the line of duty.

"All history, every single picture is history," Hadassa murmurs emotionally as she passes the well-known faces. But really, they represent more than history. They represent pride — pride in belonging to the Herzliya family, a family which played so important a role in the destiny of the town — indeed of the country.

MUSIC REVIEWS

Stiff challenge

ISRAELI CHAMBER ORCHESTRA — Yoram Talmi conducting, with Aram Wiesel, pianist, and Daniel Gortler, pianist. (Tel Aviv Museum, April 14.) Mozart's Piano Concerto in E-flat major, K. 271; Piano concerto in A major, K. 288; Symphony in D major, K. 504 ("Prague").

FOR ARNAN Wiesel and Daniel Gortler — two Israeli pianists in their 20s — an opportunity to take part in ICO's Amadeus series presented an undeniable professional boost. It also constituted a stiff challenge.

One must say at the outset that Wiesel and Gortler are no novices on concert stage, and it shows. Both play with confidence, admirable technical and intellectual control, and their dedication is beyond doubt. Where neither quite succeeded, however, was in convincingly blending the music's natural flow with their playing.

The slow movements especially suffered from the frequent rhythmic pull and push. This may have allowed for some nicely turned individual phrases, yet it disturbed the larger structures and overall musical line.

Gortler played the remaining sections of the A major concerto with a virtuoso verve, generating genuine excitement by the work's concluding stages. The unwelcome percussiveness in the upper-dynamic range excluded, his was an accomplished rendition.

While abounding in musical eloquence and emotional identification, Wiesel's reading of the E-flat major work remained short on that all-important ingredient — interpretive charisma. The emotion seemed to be locked inside, showing more in body motions than in the piano sound. Neither the unusually deliberate pace of the cheerful first movement nor the abrupt accents which abounded added vitality to the proceedings.

Yoram Talmi, who presided over the less than perfect accompani-

ments, saved the finest playing of the evening for the concluding "Prague" symphony. Here the grandeur and lyric immediacy, the ornate polyphony and simplicity blended in a way so utterly natural that it seemed the only possible one. Which, to think of it, is the true secret of performing Mozart.

ELI KAREV

Beauty in all

BEING BEAUTEUS — Young Artists Concert Musical direction: Uzi Wiesel; with Gilek, harp; Eva Ben-Zvi, soprano; the Gertler Quartet (Caroline Leiman and Lucinda Kreber, violins; Florence Cador, viola; Alberto Gonzalez, cello; Daniel Goldmann, bass; Chen, Naomi Rosalia, cello; Liat Volerman, flute; Orli Orbach, clarinet. (Tel Aviv Museum, April 11.) Haydn's String Quartet Op. 74, No. 1 in F Major; Sater's *Stanzas for String Quartet*; Elmer "Being Beauteus" Cantata on a poem by Arthur Rimbaud for coloratura soprano, harp and 4 cellos; Faure's *Impromptu for Harp*; Ravel's *Introduction and Allegro for Harp, Flute, Clarinet and String Quartet*.

THIS CONCERT was not only a big surprise but a real celebration. Cellist Uzi Wiesel who conceived the idea and in whose hands the musical direction was entrusted, indeed achieved what the concert's title intended to convey: being beauteous. There was beauty in almost everything — in the works, the performance, the artists.

The Gertler Quartet, a newly-established group at the Tel Aviv Academy of Music, gave us a brilliant account of Sater's extremely demanding *Ricercar*.

Henze's Cantata "Being Beauteus", on a poem by Rimbaud, is a deeply moving composition and coloratura; soprano Eva Ben-Zvi was nothing less than a sensation. Equally noteworthy was the contribution of the four cellists and that of harpist Alice Giles.

Alice Giles took first prize in the 1982 International Harp Contest in Israel and has embarked, since then, on a successful international career. Her interpretation of the Faure *Impromptu* showed why: her dynamic

range is as varied as it is flexible, her technique is impeccable and her musical insight is irresistible.

Rounding the programme with a performance of Ravel's intoxicating *Introduction and Allegro*, Wiesel gave us a brilliant finale to an unusual programme. He can indeed be proud of his pupils, his musical coaching and his choice of artists. This was a rare achievement.

BENJAMIN BAR-AM

Diligent

ISRAELI PHILHARMONIC ORCHESTRA — David Shalton conducting, with Henryk Szeryng and Shira Barin, violins. (Eilat Auditorium, April 9.) Vivaldi's Concerto in A major for two Violins and Orchestra, Op. 3 No. 8; Tchaikovsky's Concerto in D major for Violin and Orchestra, Op. 35; Saint-Saens' Symphony No. 3 in C minor Op. 78 ("Organ").

THERE WAS little variety in the choice of programme. Henryk Szeryng is a serious musician, a violinist of impressive technical and interpretative qualities. He played the familiar Tchaikovsky concerto with craftsmanship, ease and involvement devoid of romantic excess. David Shalton diligently followed the soloist's intentions and there were good dialogues between the solo and the orchestral accompaniment.

Szeryng's chaperonage was also evident in the Vivaldi Concerto for two Violins. He shared the podium with 18-year-old Shira Barin for an enjoyable performance characterized by dramatic contrasts of dynamics and harmony. David Shalton led the orchestra with clear and effective directions. Together they offered a competent performance of the Saint-Saens Symphony No. 3 with Elizabeth Roloff playing the important organ part.

Saint-Saens was himself an organist and the influence of Liszt inclined him towards a cyclical design in his symphonies, as in this work (dedicated to Liszt). The meditative passage for organ and the brilliant finale emerged particularly strongly.

ESTHER REUTER

BASEBALL

Bo making his mark for Royals

NEW YORK (AP). — Bo Jackson, the 1985 Heisman Trophy winner as college football's outstanding player, now is making his mark on professional baseball. Jackson had a three-run homer and a grand slam on Tuesday night as the Kansas City Royals beat the Detroit Tigers 10-1.

The former Auburn running back took over the American League lead with 13 runs batted in and improved his batting average to .500 with his second four-hit performance in a week.

Right-hander Mark Gubicza, 1-1, who had lost all seven of his previous April decisions, threw a five-hitter to end Detroit's four-game winning streak.

In other American League games, Boston beat Texas 4-1; New York defeated Cleveland 10-6; Milwaukee remained undefeated with a 7-4 decision over Baltimore; Toronto edged Chicago 4-3 in 13 innings; Minnesota downed Oakland 9-8; and Seattle beat California 6-4.

Al Nipper scattered nine hits over eight innings as Don Baylor's three-run first-inning home run set off the Red Sox and the Rangers dropped their fifth in a row. Nipper, 1-0, lost his bid for his first career shutout as Pete Incaviglia's homer with one out in the eighth, Ed Correa, 6-1, took the loss.

Joe Shuman's grand slam off Steve Carlton landed a 3-3 tie in the fifth inning and the Yankees held on as Cleveland lost its fifth straight. Cecil Gantner, who relieved Bob Tewksbury in the fourth inning, won his first decision, allowing one run in 3½ innings.

The Brewers continued their winning ways, improving to 8-0 as five players hit solo home runs. Mark Clark allowed five hits and three runs while walking four and striking out two in five innings for his first major league victory.

Baltimore starter Ken Dillen, 1-1, was tagged with the loss. Black Loech's single through the infield in the 13th inning gave the Blue Jays a come-from-behind victory. Loech followed walks to Willie Upshaw and Eusebio Whit with a single off the glove of reliever Joel McKen.

Minnesota failed to hit a home run in a game for the first time this season but the Twins managed 13 hits and held on after taking a 7-0 lead. Kent Hrbek, Gary Gaetti and Tom Nieto each drove in two runs for the Twins, who sit atop the AL West with a 6-2 record.

Paul Bradley ended a 1-0-22 slump with a seven-run homer in the first inning and Yutaniques hit the first homer as a starter to give Seattle the victory. California's Brian Downing led off the game with a homer off Scott Bankhead, 2-4, but Bradley quickly erased that deficit in the bottom of the inning with the homer off Don Sutton, 6-2.

NATIONAL LEAGUE

Pedro Guerrero is back, the Los Angeles relievers are back and so are the Dodgers.

Guerrero hit a pair of two-out RBI singles, including the game-winner in the 12th inning, as the Dodgers rallied for a 3-2 victory over the Houston Astros.



RUNNING ROYAL. — Bo Jackson, college football's Heisman Trophy winner as a running back at Auburn, runs out a grounder to first base in this his rookie year as a baseball player with the Kansas City Royals. Jackson has the early season A.L. RBI lead with 13 after leading the Royals to a 10-1 thumping of the Tigers on Tuesday night.

(Reuter telephone)

"We needed this game," said Guerrero, who was out of the starting lineup for four games as Los Angeles lost its first five. It was the fourth consecutive victory for the Dodgers after their 0-4 start, which saw their relief pitchers falter.

But in two victories over Houston, Brian Holton allowed only one run in five innings on Monday night and the Dodgers' relief corps shut out the Astros for the final seven innings on Tuesday night, including the last two by Tom Niedenfuer.

In other National League games, it was New York 7, Philadelphia 5, Cincinnati 6, Atlanta 3, Montreal 9, St. Louis 4; and San Francisco 3, San Diego 2.

San Francisco boosted its record to 7-2, equalling its best start since 1979, while San Diego fell to 1-7, its worst beginning since 1974. Bob Melvin hit his fourth homer of the year — all against the Padres — to give the Giants a 2-0 lead in the second.

Montreal because the last major-league team to win its first game of the season as Jeff Reed drove in four runs and Jay Tibbs pitched eight shutout innings against St. Louis. Tibbs, 1-1, took a three-hit shutout into the ninth inning but Twenty Herr had a two-run double and Jack Clark an RBI single for the Cardinals before Bob McClure got the last three outs.

New York, expected to get a strong challenge from Philadelphia in the East, handed the Phillies their sixth loss in seven games. Nookie Wilson singled in the tie-breaking run in the

ninth inning and went to third on right fielder Ron Koseckie's error. Wilson then scored when Jesus Samanes threw wildly to home on Wally Backman's ground ball. Eric Davis and Kal Daniels both homered as Cincinnati improved its record to 6-1 beating Atlanta. Daniels had a leadoff homer in the sixth inning that broke a 3-3 tie, and three Cincinnati pitchers held the Braves to five hits.

NATIONAL LEAGUE

East Division	W	L	PCT.	GB
New York	4	3	.571	—
St. Louis	4	3	.500	1
Chicago	3	3	.500	2
Pittsburgh	3	3	.500	2
Montreal	1	4	.200	3
Philadelphia	1	4	.200	3

West Division	W	L	PCT.	GB
Cincinnati	6	1	.857	—
San Francisco	7	2	.778	1
Houston	5	3	.625	2
Atlanta	4	3	.571	3
Los Angeles	4	3	.556	3
San Diego	1	7	.125	5.5

AMERICAN LEAGUE

East Division	W	L	PCT.	GB
Baltimore	3	3	.500	—
New York	3	3	.500	—
Detroit	3	3	.500	—
Toronto	4	3	.571	3.5
Boston	4	3	.556	3.5
Cleveland	1	7	.125	7

West Division	W	L	PCT.	GB
Minnesota	6	2	.750	—
California	4	3	.571	1.5
Kansas City	4	3	.571	1.5
Seattle	3	3	.500	3
Chicago	3	3	.500	3
Oakland	2	6	.250	4.5
Texas	1	6	.143	4.5

STATE CUP

Uri, Zahi get winners

By PAUL KOHN

A magnificent free kick from 25 metres by Uri Malmilian gave Betar Jerusalem, the Cup holders, a 1-0 win over Hapoel Kfar Sava in the early Cup quarter-final round match played before a festive 17,000 crowd at the Ramat Gan Stadium.

The win that gave Betar their place in the semi-finals was marked by a dazzling second-half display by the league leaders, with Malmilian and Shlomo Shirazi in brilliant form. Betar would have won this match by a much bigger margin had not Sami Malka missed three open goals. Eli Ohana was also typically off mark.

Hapoel Kfar Sava had the edge in a tentative first half, but were clearly second best after the change of ends.

In the late quarter-final game last night, Maccabi Haifa beat Hapoel Petah Tikva 1-0, Zahi Armeli scoring in the 85th minute.

SPORTOTO

TIPS	Single	Parimutuel
Hap PT v Mac Yarv	1	1X
Mac Netanya v Mac PT	1	1
Mac TA v Beal Yehuda	1	1X
Hap TA v Mac Haifa	X	1X2
Hap K. Sava v Betar J'm	2	X2
Beersheva v Shimon	X	1X
Mac Jaffa v Betar TA	X	X2
Betar Ramat v Nakariya	1	1
Haifa v Marmorek	1	1
R. Amidar v Dimona	1	1
Hap Haifa v Bet Shimon	1	1
Hap Acre v Hap R. Gan	1	1
Therim v Hap Hadera	X	X
Sharavim v Hap Holon	X	X

NHL

SMYTHE DIVISION: Calgary Flames 4, Winnipeg Jets 3; Edmonton Oilers 5, Los Angeles Kings 4; (Winnipeg leads series 3-2). (Edmonton wins series 4-1).

ADAMS DIVISION: Quebec Nordiques 7, Hartford Whalers 5; (Quebec leads series 3-2). PATRICK DIVISION: New York Islanders 4, Washington Capitals 3; Philadelphia Flyers 3, New York Rangers 1; (Washington leads series 3-2); (Philadelphia leads series 3-2).

NORRIS DIVISION: Toronto Maple Leafs 2, St. Louis Blues 1; (Toronto leads series 3-2).

NBA

The Nuggets, needing a victory to clinch the 16th and final playoff berth, outscored Portland 81-54 after halftime on Tuesday night and beat the Trail Blazers 142-114.

"I was scared to death in the first half," Mike said. "I could tell that Portland was fat and I thought if we came out and got after it, we could pull them out. This was one we needed to win and one they didn't."

In other games, it was Cleveland 113, New Jersey 90; Phoenix 132, Sacramento 123; Golden State 117, Los Angeles Clippers 108; Seattle 103, Utah 102.

Chris, John opt for singles

FORT LAUDERDALE (AP). — Tennis star Chris Evert Lloyd became Chris Evert again after a brief appearance in court to complete her divorce from British tennis pro John Lloyd.

The appointment to complete the divorce had been scheduled for Thursday, but she appeared at the judge's office two days early to wrap up the divorce.

"She came in at 9:30 this morning with her attorney and a residency witness, and asked if the judge could accommodate them this morning instead of Thursday," said Bunny Costantino, a judicial assistant for Broward circuit judge Joseph Price. "They had a waiver from Mr. Lloyd. It was finalized and she's gone back to her maiden name."

Bob Kain, agent for Evert, said the financial agreement "is being kept private and confidential."

"Chris Evert Lloyd has gone back



PARTING OF THE WAYS. — John Lloyd and Chris Evert get divorced. (In the picture she is kissing the French Open Cup after winning it.)

to her maiden name," he said in a prepared statement. "Both parties are very amicable. No further comment from either party will be made at this time."

In the papers filed in Broward County on March 31, Evert listed irreconcilable differences as grounds to end their eight year marriage.

Less than a month after her marriage, Chris

helped to take the United States to its fourth consecutive Federation Cup title. Two months later, she won the French Open women's single title for the third time.

She finished 1979 ranked no. 2 in the world for the second straight year, but regained the no. 1 ranking in 1980 and 1981, as she became the first woman tennis player to reach \$1m. in career earnings.

She is currently ranked no. 3 behind Martina Navratilova and West Germany's Steffi Graf.

While her tennis game reached new heights, John Lloyd's tennis fortunes tumbled.

He was ranked no. 23 in the world in 1978,

but is now tied for 434th on the Hewlett-Packard-ATP computer rankings.

Lloyd, an Englishman who has lived in Boca Raton, Florida, has had some of his biggest successes in doubles matches, teaming with Wendy Turnbull of Australia to win the French Open mixed doubles in 1982. They won the mixed doubles at the French Open again in 1984 and the mixed doubles at Wimbledon in 1983 and 1984.

Lloyd, who has almost limited playing singles although he still plays doubles, this year will play team tennis, a national tennis league whose commissioner is Billie Jean King.

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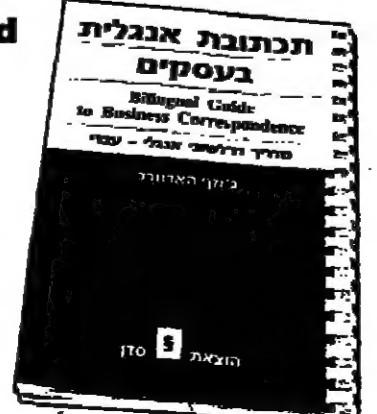
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Hapoalim Investment

Using Discount's winning formula

By PINHAS LANDAU
Post Finance Reporter

Within the corporate colossus that is Bank Hapoalim are all sorts of other companies than mere commercial banks. Some of them are large entities in their own right, even registered separately on the stock exchange, but getting precious little attention because they live entirely in the shadow of their domineering parent.

Among these is the Hapoalim Investment Corp. In the last few years, it has been transformed from a mainly passive and financially-oriented concern into a dynamic, outward-looking and multi-faceted conglomerate. And if this description brings to mind another company, namely Discount Investment Corp., in its younger, more thrusting days before mid-life crisis overtook it, the comparison is not misplaced.

According to Hapoalim Investment's managing-director, Uri Levitt, the management structure of his company is modelled largely on the pattern that Discount used in its climb to fame. That is to say that Hapoalim Investment seeks an active role in board-level direction of the companies in which it invests to help form corporate strategy and structure, and to aid in the selection of senior management. The Hapoalim Investment representative on the board receives full and updated information on the company's activities, and the parent often offers its subsidiaries and affiliates finance and marketing counselling. Beyond that, the companies it invests in retain managerial and

administrative autonomy, nor does Hapoalim Investment seek to involve itself in the day-to-day operations of each company.

Levitt maintains that Hapoalim Investment has refined this arms-length ownership and management philosophy by developing two small teams of executives who work on a matrix system. One team is composed of professionals, such as a lawyer, tax expert and human resources specialist, while the other team is the group of "referees" who divide up between them the companies in which Hapoalim Investment holds interests. Between them, the two teams have a dozen or so

ermore, although the pre-tax operating profits fell slightly to NIS9.3m., an easing of the tax burden gave a sharp boost to after-tax operating profit - up from NIS 3.5m. to NIS 4.5m. This was reduced by realising a loss of NIS 1.3m. on a real estate sale.

The sources of these profits changed significantly in 1986 compared with the previous year. Hapoalim Investment is active in five main fields - industry, trade and services, finance and investment, leasing and real estate. Of these, industry provided about 25 per cent of total profits in 1986, less than in the previous year. The same was true

much better results. But it is plain that Levitt's heart, if not his wallet, is mainly in the industrial sector.

Here there is a portfolio-within-a-portfolio, in which one finds a broad span of companies, including both mature firms and start-ups, high-technology in different sectors, and partnerships and near wholly-owned structures. One firm already well-known is Abic Ltd., a pharmaceutical company, that had sales last year of \$32m., some 40 per cent of them exports. But the great hope, of course, is that one of the budding high tech companies, such as Biohitech Israel Ltd., or Teledata Communications Ltd., will turn into a smash hit. Each of these, and other such companies in the stable of Hapoalim Technologies, the subsidiary specializing in the field, is an interesting story in itself, but from the point of view of Hapoalim Investment as a whole, they are fairly marginal investments. Nevertheless the high risk factor they contain just might turn in the high reward, which alone justifies this sort of managerial and financial commitment.

Meanwhile, pending that happy day when one of his investments strikes high tech gold, Levitt is coining it in less dramatic but highly lucrative areas such as leasing, where his market share is growing, and in financial operations.

With cash-cows like these, and the established businesses like Abic, Hapoalim Investment can press ahead with the more exotic ventures that Hapoalim Technologies is undertaking.

Hapoalim has refined its arms-length ownership by developing two small teams of executives who work on a matrix system.

members, and the referees are able to themselves refer back, or refer "their" companies back, to some or all of the experts, as the need arises. Conversely, each of the experts can call in some or all of the referees to discuss relevant matters.

And the figures certainly attest to a large measure of success, especially given the poor economic climate of recent years. They have been grounded in the distribution of the corporation's capital into widely differing areas of economic activity. The recently-published results for 1986 showed net profit up 28 per cent to NIS 2.4 million, which gave a net return on equity of 6.6 per cent, up from 5.1 per cent in 1985. Further

of profits from financing, which represented 14 per cent of 1986 profits. On the other hand, the 28 per cent share from trade and services and an equivalent share from leasing, as well as the small share of profit from real estate operations, all grew in 1986 over 1985.

Levitt is very keen to maintain a balanced portfolio, as a method of preventing bad times in one sector from ruining the total picture. For example, real estate, in which over 20 per cent of Hapoalim Investment's portfolio is sunk, has produced poor returns in the last few years, while leasing operations, with half the total investment that real estate has had, have given rise to

THE TAX BURDEN/ Jeff Broide

Home economics

Q. I built two semi-detached cottages on a plot that I owned, taking one for myself and selling the other. Do I owe value-added tax for the one I sold? Afterward, two and half years later, I sold my own as well and moved elsewhere. Do I owe income tax from the profits on either or both of the cottages? Do I owe land betterment tax? (S.D., Jerusalem)

Presumably you have not entered into a combination deal here, that is, one in which you sell a plot of land to a building contractor in exchange for one or part of the cottages or building space. Such deals are covered by special regulations. In addition, if the building and sale of the cottages are not part of a business carried on by yourself in real estate or building construction, and if the specific deal you described is not deemed by the authorities to be of a business nature - that is, not deemed by the authorities to be of a business and not of an investment nature - then there will be no VAT consequences for you on the sale of one of the cottages.

Generally speaking, the profit realized on the sale of the cottage will be taxable as a capital gain, similar to other capital gains under the Land Betterment Law.

However, you should note the qualifications indicated.

Similarly, if the cottage was sold not as part of a business, and if the transaction or deal itself was not of a business nature, there will be no income tax repercussions on the sale of the first cottage. In addition, the sale two-and-a-half years later of the second cottage should also not be subject to income tax. The fact that you lived in it and held it for a fairly substantial period of time would indicate that the asset was held for private and/or investment purposes and not business purposes.

Generally speaking, the profit realized on the sale of the cottages will be taxable as a capital gain, similar to other capital gains under the Land Betterment Tax Law. However, under certain circumstances, the profit on the sale of a home or apartment may be exempt from the land betterment tax. They are:

• You, the seller, must not have sold another residential dwelling during the four years preceding the current sale. In this instance you had in fact sold one of the

cottages two-and-a-half years earlier so this would not apply.

• The apartment or house sold is the only one held by you in Israel and during the four years preceding sale you at no time owned more than one residential dwelling in Israel. Once again, this exemption will not apply at some stage during the preceding four years you in fact did own two cottages which effectively rendered you unable to enjoy the exemption.

Therefore, based on the minimum facts which you have provided in your question, it would appear that on the sale of the second cottage you would be liable to land betterment tax on the capital gain. This answer, however, assumes that ownership was entirely in your hands and that there was no partial or joint ownership involved.

LEASE FINANCING: The income tax authorities have recently issued an internal directive on the topic of lease financing, as examined in two columns in the past few months. They appear to be closer to our stand, namely that where in the lease period and the depreciation period coincide, or if the lease period is, in effect, longer than the depreciation period (that is, the period in which the taxpayer may depreciate the asset), then tax inspectors will not query the amounts claimed for deduction as lease payments. However, if the depreciation period is longer than the lease period, then the stand indicated in the February 12 column is applied. In the latter case, the tax authorities will insist on treating the financial lease as a means of financing the purchase and divide the transaction into two - the purchase of the asset on which depreciation is granted, and the finance portion, where the finance charges may or may not be deductible, depending on the situation of the taxpayer.

Since the tax authorities' case is based primarily on the option generally granted at the end of the lease-buy period to pay over a specified amount and thus take up ownership of the asset, it is advisable not to exercise the option and convert the lease-buy agreement into a purely rental one, possibly even in advance. In such a case, where the contract is purely of a rental nature, considerable doubt must be cast on the interpretation of the tax authorities. The doubts regarding the tax aspects of lease financing have only been partially removed by this recent internal directive.

The writer is a Certified Public Accountant (Israel). Questions may be addressed to him c/o The Jerusalem Post.

Texaco aims to buy time with bankruptcy

HOUSTON (Reuters). - Texaco Inc.'s plunge into bankruptcy will give it breathing room until its fight with Pennzoil Co. over the 1984 acquisition of Getty Oil Co. winds its way to the U.S. Supreme Court, analysts said.

Texaco, the third-largest U.S. oil company, on Sunday filed for protection under Chapter 11 of the U.S. bankruptcy code, saying it had no choice because of Pennzoil's refusal to negotiate a reasonable settlement. But unlike most Chapter 11 cases, the Texaco proceeding should not result in a major reorganization of the company or affect its daily business operations, several experts said.

"This is another piece of financial history," Sanford Margoshes, an analyst with Shearson Lehman

Brothers, says of the bankruptcy filing. "What Texaco is doing is buying time to fight its battle in the courts. They have high hopes they will be upheld if the case goes all the way to the U.S. Supreme Court."

Margoshes says he does not anticipate any significant changes in Texaco's oil exploration and production business because the bankruptcy filing affects only about 4 per cent of the giant oil company's \$32.6 billion in annual revenues.

Texaco executives say the bankruptcy filing would effectively halt payments of stock dividends and repayment of its \$6.8b. debt, but added that the company's assets far exceed its liabilities.

"Obviously, the point of Chapter 11 was not so much seeking protection from creditors as it was seeking

protection from the predator Pennzoil," says Margoshes.

The two companies have been locked in an acrimonious struggle since a Texas state jury in November 1985 ordered Texaco to pay Pennzoil \$10.5b. for improperly interfering with Pennzoil's planned acquisition of Getty. In a major setback for Texaco last week, the Supreme Court ruled that Texaco must abide by Texas state law that requires posting a bond for the full amount of the judgment while the merits of the case were appealed.

Although a Texas Appeals Court hearing was scheduled for last Monday on Texaco's motion to reduce the amount of the bond, Texaco elected not to risk losing the ruling that could have required it to post more than \$10b. in collateral.

The bankruptcy filing, analysts say, effectively froze all of Texaco's obligations while it continued to appeal the merits of the Pennzoil lawsuit.

Texaco insisted Pennzoil did not have a valid contract under New York State law to acquire Getty Oil.

Joseph Jamail, a Houston attorney for Pennzoil, said the company had made its latest settlement offer to Texaco on Saturday and was taken by surprise when Texaco filed for bankruptcy. He declined to reveal the amount of the proposal, citing a confidentiality agreement between the two companies.

"Texaco told us they would get back to us but instead they chose to go to the bankruptcy court," Jamail said. "This was an irresponsible and unneeded move."

Tokyo overtakes New York as no.1 bourse



Dealers signal prices with their hands on the floor of the Tokyo Stock Exchange.

TOKYO (Reuters). - The Tokyo Stock Exchange has surpassed Wall Street in terms of the total value of its shares, making it the world's largest an exchange official said yesterday.

A heavy flow of money into the Japanese market has inflated total share prices to \$2,717 trillion which is \$116b. more than the New York market, he said. The exchange used a dollar conversion rate of 146 yen.

"There is more money stacked up in Tokyo stocks than all of the rest of the world's stock markets combined, excluding Wall Street," a broker at the James Capel securities house said.

Many brokers predict that the market will rise even further this year because of the large amount of idle money that is available. Some said stock prices could advance another 15 to 20 per cent as Japanese investors put more of their money into the market.

"If you are a fund manager whose performance is being judged against world stock market prices, then you are going to have to look at your Japan portfolio more closely," said Tim Schilt, market analyst at Morgan Stanley in Tokyo.

However, Tokyo's blistering growth has not totally convinced

foreign investors to pour in more funds, brokers said. Overseas investors have been net sellers of stocks here since the end of 1985.

Many foreigners have been scared away from Tokyo because the stock prices cannot be justified by conventional yardsticks for evaluating companies, Schilt said. The average stock price in Tokyo is now 70 times more than the company's earnings-per-share figure, compared with only 17.5 in New York, one broker said.

However, even though the market may not be attracting foreign investment at the moment, foreign security houses still recognize the potential of Tokyo as one of the three world financial centres and are eager to trade here, analysts said.

"There is going to be tremendous pressure on the exchange to increase its number of foreign brokerage seats," said Schilt.

The Exchange has said it will have room for seven to 10 more seats when it has completed the expansion of its trading floor at the end of this year. Brokers are unsure how many of these will be available for foreign securities houses. At present, six foreign securities companies are full-fledged members of the Tokyo Stock Exchange.



CROSSWORD

ACROSS

- 1 Notices Paul involved in thought (11)
- 10 Where our pound has a following in a sacred city (5)
- 11 Somehow dominates a county town (9)
- 12 Conciliatory go-between for William Thackeray (9)
- 13 Desires made plain in our exclamations (5)
- 14 One with a down-to-earth job... (6)
- 16 ...also accommodating for guidance at sea (8)
- 18 Summarises the end of an innings (4,4)
- 20 Depression in party returned showing no mercy (6)
- 23 Feeling expressed at a stormy Scottish cape (5)
- 24 Success to an apprentice is so rewarding (9)
- 26 Russia's claim to Mars informally? (3,6)
- 27 Before noon he finds capital (5)
- 28 Apparel by Peter French finished off by Madame Guillotine (11)

DOWN

- 2 Dress showily for a bit of fun (5)
- 3 Diminutive fellow: give him something to eat (7)
- 4 Feast celebrated by around 1000 Buddhist priests (6)
- 5 Modern deterrents Poseidon had a hand in? (8)
- 6 Little known remedy introduced by former pupils (7)
- 7 Weapons that blaze away (5-8)
- 8 Got plans changed ages ago (4,4)
- 9 Avoids the water-hole, taking no chances (4,5)
- 15 Slowing notably, having started fast and coming to nothing (8)
- 17 Condemn in so many words (8)
- 19 Bard character to turn to greet, say (7)
- 21 Violent behaviour of a politician in temper (7)
- 22 Couldn't be better at the highest level (5-5)
- 25 Carrier-pigeon recalling an epic poet (5)

Yesterday's Solution

SEPIA WALKEROUT
OCEANIC
ROLLERS VAULTED
ELECTRIC
PINK DIARY WARY
OCEANIC
INACQUAINTANCE
SERVANT
NIGHT RESULTS
UNHAPPY
GALT STEAK LATE
RITENOR
OLDBAN TORONTO
SUAC
SUPERHEAT WORST

ACROSS: 1 Hanson, 4 Feller, 7 Perturbed, 9 Drop, 10 Kiwi, 11 Depot, 13 Ledger, 14 Wreath, 15 Threat, 17 Simmer, 19 SOGAT, 20 Club, 22 Snip, 23 Seasoning, 24 Repeat, 25 Supper. DOWN: 1 Handel, 2 Sep, 3 Mother, 4 Furrow, 5 Leak, 6 Reith, 7 Ponderous, 8 Disarming, 11 Degas, 12 Trait, 15 Ticker, 16 Tonsil, 17 Saints, 18 Repair, 21 Bede, 22 Snip.

QUICK CROSSWORD

ACROSS

- 7 Ordinary
- 8 Flatfish
- 10 Take a rest (3,4)
- 11 Dwelling-house
- 12 News
- 13 Swindle
- 17 Unrefined
- 18 Way out
- 22 Danger signal
- 23 Remark
- 24 Emphasise
- 25 Bivalve

DOWN

- 1 Surgical knife
- 2 General pardon
- 3 Mechanical man
- 4 Taste
- 5 Young mare
- 6 Take it easy
- 9 Reduction (anag.)
- 14 Vow
- 15 Cost
- 16 Dignified
- 19 Flower
- 20 Wed
- 21 Love affair

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Jerusalem: Jerusalem, 212 Yafso, 520073; Belsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dar Adawa, Herod's Gate, 282058; Tel Aviv: Shimon Hamalech, 78 Shlomo Hamalech, 245461; Hashala-Kupat Holim Maccabi, 7 Hashala, 546337/16, ext.43; Ra'anana-Kfar Sava: Kupat Holim, 46; Ben Gurion, Kfar Sava; Netanyah: Kupat Holim Meuhedet, 13; Harav Kook, 44655; Krayot Haifa: Niv HaKrayot, 73 Ben Gurion, Krayot Motzkin, 737477; Haifa: Hanassi, 33 Sderot Hanassi, 333312.

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Carmiel *885555 Netanya *23333
Dan Region *781111 Petah Tikva *923111
Elit 7233 Rehovot *451333
Hadera 22333 Rishon LeZion 92333
Haifa *612233 Safed 30333
Holon 803133 Tel Aviv *240111
Tiberias *30111

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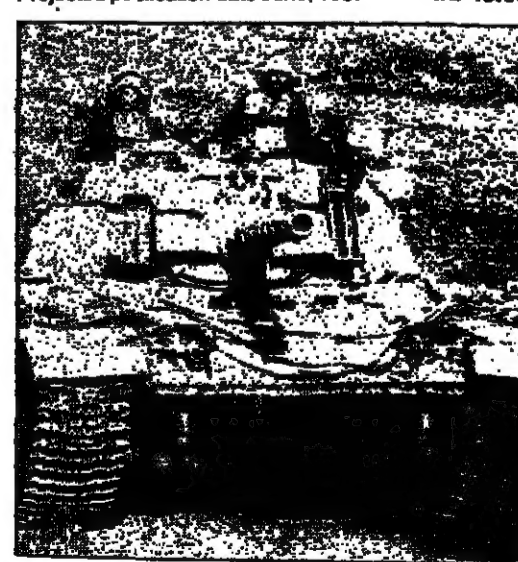
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Free trade pact endangered

Fears about U.S. trade reform

By KEN SCHACHTER
For the Jerusalem Post
TEL AVIV. - Fretful Israeli trade officials are closely monitoring a U.S. programme to revise its import-export product classifications.

Although the "harmonization" programme is meant to be neutral, jittery exporters here fear that Washington officials will inadvertently alter the tariff schedule of some of the thousands of products covered by the Israel-U.S. Free Trade Area agreement (FTA).

Currently, Western Europe, Israel and other countries employ a multi-digit system known as the Brussels Tariff Nomenclature (BTN) to identify products circulated through international trade. Washington, meanwhile, has been using its own numerical system, making it impossible to accurately compare U.S. trade figures with those of BTN countries.

Rather than continue a system that is incompatible with that of its major trading partners, several years ago Washington decided to realign its procedures by adopting the BTN. Food items, from soup to nuts, will be assigned new numbers, as will products as varied as computers, lipsticks and lumber, under the new schedule set to take effect next January 1.

"We're basically trying to harmonize with their system," said Thomas Roesch, commercial counsellor at the U.S. embassy here. "It's a tremendous piece of work. It should have been done a long time ago."

In theory, the new system will make life easier for Israeli exporters and trade officials, allowing them to use the more familiar BTN when making trade inquiries concerning the U.S. The pinch comes when U.S. officials re-classify the thousands of items listed in the FTA, a document that weighs about as much as the Manhattan telephone directory.

Specifically, Israelis are afraid that items on list A, whose tariffs will be removed in 1989, will be moved to list B or C, where tariffs will remain in place until 1995.

"It shouldn't have a negative effect on Israel if done properly," said Roesch. But it doesn't take much imagination to realize that some things that are explicitly set out in one tariff listing will be hard to classify in another.

To forestall the problem of changes in the FTA schedule, Nina Admon, executive director of the Israel-America Chamber of Commerce, will hold talks with officials of the U.S. Commerce Department next month in the U.S. Ministry of Trade and Industry officials are also monitoring the U.S. programme.

The reclassification "may cause problems," acknowledged Itamar Asherov, an economist at the chamber. "We're making a lot of efforts not to allow that."

The 20-month-old FTA, hammered out after prolonged negotiations between Jerusalem and Washington, eliminates bilateral tariffs for products on list A in 1989.

Tariffs on list B items will be reduced in eight stages until they are eliminated in 1995. List C goods have their tariffs frozen until 1991 when bilateral talks are scheduled. Regardless of the outcome of the talks, however, tariffs are scheduled to be removed in 1995.

The FTA is the first such comprehensive tariff-reduction agreement the U.S. has signed with a trading partner and gives Israel unequalled access to the U.S. market as well as the European market, through its associate membership in the European Community. Washington insiders say that although the Reagan administration was glad to reach a trade pact with Jerusalem, it was also counting on Israel's special political status to ease the FTA's passage through Congress and pave the way for a similar agreement now being negotiated with America's largest trading partner, Canada.

As for the re-classification programme, Roesch said the primary burden will be on Americans, who will have to adjust to the new number system.

"There shouldn't be a hardship for Israelis," he said. "It should be easier."

Pilots score El Al for publicizing wages

By JONATHAN KARP
TEL AVIV. - El Al's pilots yesterday reacted with anger to what they consider management's latest attempt to grab headlines in the airline's labour dispute.

Yitzhak Gonen, chairman of the Israel Pilots Association, denied that the salary figures released by El Al President Rafi Harlev were accurate. He accused Harlev of breaking a promise to the pilots that he would not bring the subject into the open.

At a press conference earlier this week, Harlev disclosed that on the long end, a first officer of a Boeing 737 - the fleet's smallest aircraft - who flies an average of 48 hours per month and spends 147 hours abroad earns \$3,340 per month, with an additional \$300 net for expenses.

Harlev said the captain of a Boeing 747 Jumbo, on the other hand, who flies an average of 82 hours per month and spends 377 hours per month abroad receives \$8,715 per month and receives \$800 net for expenses. Neither figure includes hotel costs, which are paid directly by the airline.

Gonen insisted that salaries were not representative figures because

they reflected vast amounts of overtime that would not have to be paid if the airline employed enough pilots. He declined to supply his own salary figures.

Gonen welcomed Harlev's pledge to try to reduce summer flight time to 72 monthly hours per pilot, saying it would create an "excellent situation." But, at the same time, he criticized Harlev for waiting this long to deal with the issue. "Why didn't he do this for the winter schedule?"

The crux of the dispute between the pilots and management remains a plan to institute two payment schemes: salaries payable in dollars and shekels for existing pilots, and shekel-only salaries for pilots hired under the new work agreement.

In defence of his wage plan, Harlev cited a Histadrut report from the late 1970s which concluded that part of El Al's financial troubles stemmed from having to pay pilots in shekels and foreign currency.

But Gonen argued that the two-tiered system failed in U.S. airlines, and he maintained that two people doing the same job but receiving different salaries would lead only to further labour problems for El Al.

Fruits of tax reform this month

By AVI TEMKIN
Post Economic Reporter

Wage earners, especially those at the top of the income ladder, will this month start enjoying the tax reform programme approved by the Knesset. The net income of top earners will rise by some 16 per cent, while for most wage earners, the gain will be between 2.8 and 4 per cent.

Together with the reform of marginal rates, the Treasury will alter the way it calculates the adjustment of tax income brackets. From now on the adjustment will be made each time cost-of-living allowances are

paid, instead once every three months.

The change in the way the adjustments of tax brackets are calculated will affect the rate of adjustment. From now on it will be based on the cumulative inflation of the previous three months, in place of an adjustment based on the rise in the Consumer Price Index from quarter to quarter. This will result in a 4.7 per cent upward adjustment in tax brackets, instead of the 6 per cent that would have resulted from the old system. Such change will produce a loss in net income of 0.4 per cent.

Aryt's o-t-c units reconfigured

Post Economic Staff

Aryt Electronic Industries Ltd.'s New York over-the-counter units have been split into two shares and one option, making them compatible with those sold on the Tel Aviv Stock Exchange. The units were part of Aryt's \$5.4 million issue in the U.S. a year ago.

It is doubtful if any of the options will be taken up unless there is a substantial improvement in the share price. The options allow the investor to purchase one share with each at \$5.15, but the current share price is between \$3.50 and \$4. The issue price of the units was \$8.60, and 627,900 were sold.

WORLD BUSINESS IN BRIEF

Dollar gains, despite bearish economic date

NEW YORK (AP). - THE U.S. government released more dismal economic figures yesterday that showed industrial production dropped sharply last month. But the battered dollar strengthened and the stock market rebounded from its four-day malaise.

The Federal Reserve said a 0.3 per cent drop in March industrial production was the biggest decline since a 0.4 per cent fall last May, reflecting widespread reductions in a range of industries. U.S. manufacturers have been hurt by a barrage of imports that have pushed the trade deficit to record highs and forced widespread layoffs.

Other government reports yesterday were mixed. The Commerce Department said retail sales advanced a slight 0.2 per cent last month but remained depressed compared with levels of late last year. The department also said U.S. businesses plan to increase capital spending by 1.8 per cent this year after a big cutback in 1986.

ALLEGED JAPANESE DUMPING of electronic printers is the subject of a European EC Community investigation that began yesterday.

The announcement of the probe marked the second EC inquiry into alleged Japanese dumping of electronics products in the past week and underscored European industry's growing frustration with Japan's export success. Last Thursday, the EC Commission said it was opening an investigation of alleged dumping of

certain types of semiconductors by Japanese producers. A commission spokesman who disclosed the decision said the investigation was one of the largest ever initiated by the EC - the European market for such printers was \$1.3 billion last year.

JAPAN AGREED "reluctantly" yesterday to the creation of a Gatt panel to examine a complaint by the European Community of the U.S.-Japanese semiconductor accord. Tokyo's trade ambassador, Yoshio Hatano, said.

Hatano told Reuters after a council meeting of the General Agreement on Tariffs and Trade: "We have agreed reluctantly to the dispute panel. We did not want to block the dispute settlement procedure."

In a statement to the 93-nation council, Hatano also served notice that Tokyo would seek urgent bilateral consultations with Washington under the Gatt if President Reagan imposed his threatened tariffs on Japanese electronic goods on Friday.

BRITAIN'S JOBLESS figure fell to its lowest level for two-and-a-half years in March, boosting government hopes that it would breach the psychological three million barrier in time for elections as early as June.

Government figures published yesterday showed the number of registered unemployed fell to 3.14 million last month, 11 per cent of the work-force and a drop of \$2,439 on the previous month. The total is now 180,406 lower than a year ago. If it continues to fall at this rate the jobless figure will drop below only three million in June, when Prime Minister Margaret Thatcher may call general elections, many analysts believe.

INTEREST

(Continued from Page One)
feld said Nissan's demand for no wage increases next year beyond regular cost-of-living allowances was unacceptable. Nissan's proposal would lead to wage erosion, Haberfeld contended.

But the director-general of the Manufacturers' Association, Arnon Tibor, said that the way to keep the economy stable was to maintain a tight reign on wages.

Cost-of-living increments alone will bring about a rise in real wages this year, Tibor said. Any further wage increases would hurt exports and make economic recovery more difficult, he argued in a press release.

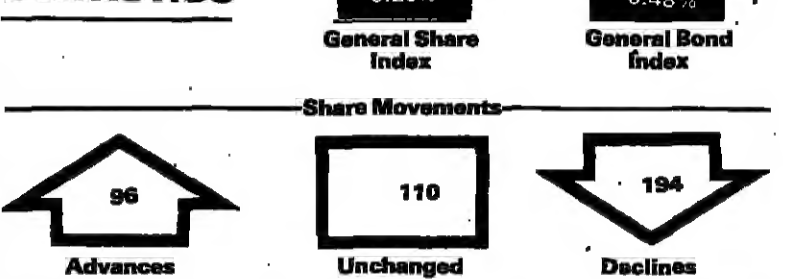
The Treasury is expecting the price index to go up by some 3 per cent in April, a month that traditionally sees high inflation rates. But CPI increases are expected to moderate from May onwards to levels of some 1 per cent a month.

The rise in the CPI reflected an increase of 2.2 to 2.4 per cent in the prices of educational and cultural services, furniture and domestic appliances, flat maintenance and housing. The price of food products rose on average 0.7 per cent, while those of communication and transport services increased by 0.4 per cent. End-of-season sales brought about an average reduction of 1.3 per cent in the prices of clothing and footwear, while the prices of fruit and vegetables dropped 0.7 per cent.

The figures released yesterday by the bureau showed that other price indices went up over 2 per cent in March. The Wholesale Price Index of industrial output rose 2.1 per cent last month, while the price index of inputs in residential building rose 2.6 per cent in March. The latter reached 2279.1 points on an October 1983 baseline of 100.

Tel Aviv Stock Exchange

MARKET STATISTICS



Stock Indices

General (excl. argmt.)	163.35 +1.01%
Non-argmt. Banks	174.87 +5.79%
Arrangement Banks	107.77 -0.53%
Mortgage Banks	142.44 +0.33%
Financial Inst.	123.38 +1.41%
Insurance	130.71 +1.18%
Commerce & Services	161.58 +0.88%
Real Estate & Agric.	166.33 +1.09%
Industrials	163.00 +0.39%
Food & Tobacco	152.82 +0.48%
Textiles	160.73 +1.01%
Metals	158.34 -0.13%
Electronics	165.12 +0.58%
Chemicals	161.94 +1.19%
Industrial Invest.	150.75 -1.70%

Bond Indices

Index-linked Bonds	108.82 +0.48%
Fully linked	110.63 +0.58%
Partially linked	108.65 +0.31%
Foreign Currency	108.97 +0.53%
FC linked	112.07 +0.72%
FC denominated	108.10 +0.48%
Short-term 0-2 yrs	108.47 +0.33%
Short-medium 2-5 yrs	108.98 +0.38%
Medium-long 5-7 yrs	111.22 +0.56%
Long-term 7+ yrs	112.47 +0.79%
Turnovers:	
Total Shares	NIS 22,061,100
Non-arrangement	NIS 17,806,400

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%	'000NIS change
Commercial Banks				
(not part of "arrangement")				
Maritime	2199	1544	+4.7	
General non-arr.	30500	208	-1.0	
First Int'l	7155	6774	+8.7	
FIBI	8380	3685	+5.3	
Commercial Banks				
(part of "arrangement")				
IDB	90810	788	-0.1	
Union 0.1	67000	27	-1.0	
Discount	115910	45	-0.1	
Mizrahi	37365	1783	-0.1	
Hapoalim	17100	1740	-0.2	
General A	157700	41	-0.5	
Leumi 0.1	38210	3518	-1.3	
Fin. Trade	81950	16	-1.0	
Mortgage Banks				
Leumi Mort. r	10815	479	+0.7	
Dev. Mort.	4000	1129	+2.8	
Mishkan	3550	728	+0.5	
Telshor	23000	180	-0.4	
Marv	8474	140	-	
Financial Institutions				
Agri. C	328872	s.o.	-5.0	
Ind. Dev. DD	88111	-	-	
Cl. Lending 0.1	28700	91	-	
Insurance				
Avrat 0.1 r	1880	466	+3.8	
Hassaneh	458	15463	+2.9	
Phoenix 0.1	728	7582	-5.9	
Hehalman	8120	196	-	
Manorah	322	322	+1.0	
Sahar	8410	1289	+1.9	
Zion Hold. 1	10950	89	+2.3	
Trade & Services				
Meir Ezra	1148	8221	-	
Supersol 2	14700	840	-	
Dalek	6700	2656	+1.0	
Lightage	27800	98	-	
Cold Storage	1820	1707	-	
Den Hotels	2474	681	+4.8	
Yarden Hotel	2820	280	+1.1	
Hilon 1	19880	886	+1.3	
Team 1	1060	2229	+3.9	
Real Estate, Building and Agriculture				
Azorim	1600	8277	-0.9	
Elion	540	13827	-0.8	
Africa Or. 0.1	64000	431	-0.5	
Daniker	7970	559	-	
Prop. & Bldg.	4600	3085	+0.8	
Bayeide 0.1	5530	857	-	
ILDC	115440	448	+1.4	
Rassco	5400	189	-0.9	
Mehadrin	7254	4184	-0.2	
Hadarim	2165	1168	-	
Industrials				
Dubek b	6560	1191	-0.3	
Pr-Za 1	not trading			
Sumfrost	18500	188	+1.5	
Elite	24540	1282	+7.6	
Adgar	858	4891	+1.6	
Argaman r	20750	685	+2.5	
Delta G 1	5528	1191	+1.8	
Maquette 1	8400	312	+0.9	
Enig 1	985	2283	+2.2	
Polgar	not trading			
Schoellera	21400	272	+7.0	
Rogovin	2930	568	+6.5	
Urdan 0.1 r	14597	345	-	
Is. Can. Co. 1	5170	1654	-1.8	
Zion Cable	3155	1168	+1.2	
Pecker Steel	20200	173	-1.5	
Elbit	540000	26	-0.2	
Elron	516000	78	-2.0	
Art	31499	163	-	
Clal Electronics	3553	4617	+10.0	
Spectron 1	3280	1188	-	
T.A.T. 1	2010	982	+1.0	
Ackarstein 1	1245	1977	+1.2	
Agan 5	22400	311	+1.8	
Alliance	2780	335	-	
Decher	3680	20	+5.1	
Fertilizers	6139	61	+4.8	
Heifa Chem.	1129	17834	+8.6	
Teva r	14113	749	+0.8	
Dead Sea r	3000	8822	-1.8	
Petrochem	850	32507	+2.4	
Neca Chem.	8800	134	+2.3	
Frutaron	23099	235	+1.0	
Hadara Paper	450500	132	-1.0	
Central Trade	15110	194	+1.0	
Koor p	not trading			
Clal Inds.	289	158084	-3.7	
Investment Companies				
IDB Dev. r	9700	2827	+1.5	
Elion	7050	974	+2.1	
Art 1	420	13081	+3.4	
Gahelet	not trading			
Israel Corp. 1	28000	705	+3.9	
Wolfson 1 r	144000	6	+8.1	
Hapoalim Inv.	13000	1990	+8.6	
Discount Invest.	8001	3359	+1.7	
Mizrahi Invest.	40000	97	+2.0	
Clal 10	1800	17573	-1.2	
Lendeco 0.1	2840	570	-6.8	
Pama 0.1	13299	202	-	
Oil Exploration				
Paz Oil Expl.	38400	248	-1.5	
J.O.E.L.	812	30879	+3.6	

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- Desert delights: The ERETZ Guide to Travel in the Negev Highlands
- "Delivering the Goods" - The Nabatean Spice and Perfume Route
- "Kaffiyeh versus Tarbush" - Moslem Attitudes with Regard to Dress
- "The Boat that Came up from the Sea" - The First Ancient Boat Discovered in the Sea of Galilee
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Israel Money Markets

Shekel Deposits (annual rates)

Bank	Deposit Size	Term	7 days	14 days	30 days
Leumi (Apr. 9)	1,000-999	10.00	11.00	12.00	15.00
	1,000-9,999	22.50	21.75	23.00	24.75
	10,000-49,999	24.00	22.75	24.00	25.75
	50,000+	24.50	23.25	24.50	26.25
Hapoalim (Mar. 27)	1,000-999	10.00	11.00	12.00	15.00
	1,000-9,999	21.00	21.00	21.50	21.50
	10,000-49,999	23.50	23.50	23.50	23.50
	50,000+	24.00	24.00	24.00	24.00
Discount (Apr. 9)	1,000-10,000	10.00	10.00	12.00	15.00
	10,001-50,000	21.00	21.00	22.00	21.50
	50,001-99,999	23.00	23.00	24.00	25.00
	100,000-49,999	23.00	23.00	24.00	25.00
Mizrahi	1,000-1,000	-	-	-	-

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Looking for inflation

THERE was something almost surreal about the efforts made yesterday afternoon by all the economic cognoscenti to explain what went wrong with inflation this time — wrong, that is, by being too low again. Whereas February's consumer price index rise of 1 per cent, which was published on Purim, could perhaps be dismissed as an aberration, or a joke in somewhat bad taste, the 1.3 per cent rise in March was released in the more sober atmosphere of Pesach, when tradition demands no jokes, only questions that demand answers.

The question in this case is where inflation went to. The community of professional economists on the one hand, and the general public on the other, must both answer this riddle, because inflation has for so long been the most prominent feature of the Israeli economy that its demise, however welcome, must leave a void in everyone's existence.

To the professional, the March figure is even more disturbing than that of February, because the excuse that "you can't draw conclusions from one month's figures" doesn't apply, and also because the other excuse — that fruit and vegetable distortions are undermining the index's veracity — is a non-starter this time. March was a genuine index, as far as can be seen. Worst of all, for the professional, is the fact that the comfortable assumption that inflation must rise in the wake of the January devaluation has been shot dead.

However, within this situation of accepted norms being thrown out of the window, all is not yet lost for the professional "dismal scientist," for his textbook offers some relief. The figures on the government's budget for the 1986/87 year just ended showed a much larger than expected operating surplus in the budget. This was still cancelled out by debt repayments, but this positive surprise fits well, in the textbook and apparently in reality too, with the second positive surprise of lower than expected inflation. In other words, the lower the government's budget deficit, the less inflation we will have. This has been the main area of consensus among economists for years past, and has now been triumphantly vindicated, although the economists themselves are somewhat bemused by the reality.

The general public, for its part, will note that the link between devaluation and subsequent inflation is not straightforward. It will also realize that the threats repeated so often recently, that if the consumer boom goes on it will spark price rises, have no basis in reality. Thus the public, too, will have to come to terms with a new reality which, even if pleasant, forces it to reconsider many hoary old dictums that it has had fed to it for so many years.

To sum up, the path of inflation over recent months suggests the following conclusions, tentative though they remain for the moment: Devaluation does not automatically lead to higher inflation; heavy spending does not automatically push prices up; fruit and vegetables are not the be all and end all of consumer activity; and, on the other hand, there seems to be a clear link between the government budget deficit and the rate of inflation, with less of one bringing less of the other.

Supposing all this — or even most of it — is true. The corollary is that the 1987/88 budget, with its built-in increase in the deficit and its vulnerability to politically-inspired spending increases, is an even greater source of concern than had previously been believed. Furthermore, it draws attention to the fact that the link between big spending and higher prices has been broken, or at least damaged, because of the huge influx of imports, which have soaked up the excess demand. But the country cannot forever afford, nor will the Americans forever pay to cover, a situation in which import growth far outstrips export growth.

In this context, Economics Minister Gad Ya'acobi's warnings that the government must buckle down to a comprehensive debate on economic policy should be heeded, because they are closer to the new reality than the self-congratulations over inflation. This new reality is that inflation is not what matters any more, and should no longer occupy centre stage. Trade, and the balance of payments, will be the issues that reassert their primacy in the coming months and, unfortunately, the news on that front is far less cheering.

SHIN BET

(Continued from Page One)

Although the military court that tried him found that there were indications of some tampering with the evidence against him, it nonetheless convicted him. The conviction was based on overall weight of the military prosecutor's case against the officer. The court's verdict was subsequently affirmed by the Military Court of Appeals.

Details of the alleged frame-up first emerged a year ago in the Justice Ministry and the Knesset Foreign Affairs and Defence Committee as an offshoot of the investigation into the Bus No. 300 hijacking.

Nine months ago, the Military Justice Law was amended by the Knesset to allow the Supreme Court to hear appeals on judgments of the Military Court of Appeals. Towards the end of last year, following the publication of Ginosar's name and details of the Shin Bet cover-up, the prisoner used his newly acquired right and asked the Supreme Court for permission to appeal the verdict rendered against him six years previously.

A Justice Ministry team appointed in December 1986 to investigate the matter found that there was sufficient reason to suggest that some of the evidence against the prisoner had been tampered with.

In February, Supreme Court President Meir Shamgar decided to allow the appeal and the prisoner's legal arguments were presented to the court several weeks ago by his attorney, Arie Kanner, a former assistant state attorney.

The flurry of contacts which sparked the current "scandal" were then initiated by the head of the Shin Bet, who met several times with Harish and urged him to find a legal way of bypassing the Supreme Court appeal. The Shin Bet head expressed his opposition to a court hearing, which would explore the service's investigation techniques.

But military legal authorities, still smarting from the Shin Bet's attempt to pin the blame for the Bus No. 300 killings on then-Tat Aluf Yitzhak Mordechai, expressed vehement opposition to the Shin Bet's demands. The IDF claimed that any attempt to dodge the Supreme Court appeal would undermine the credibility of the military courts. They also expressed confidence in the evidence against the prisoner — alleged Shin Bet manipulations notwithstanding — and urged Harish to meet the legal challenge.

Sources close to the Shin Bet claim that they are concerned with the secrecy of Shin Bet techniques and not with Ginosar's personal involvement. But legal sources said yesterday that if the Supreme Court established that the Shin Bet had manipulated evidence, the attorney-general would be forced to take legal action against investigators involved in the case.

MK Mordechai Virshubski called on Prime Minister Shamir yesterday to lift the censorship on the case. IDF Chief of Staff Moshe Levy also said that it might be advisable to publish the full details of the case.

SYRIA

(Continued from Page One)

they have been since 1982. The Syrians stopped at the Awali River, which Arab press reports have called an "Israeli Red Line."

Levy denied that there had been an increase in fatal attacks in the territories, though he confirmed that the number of disturbances had risen.

"That does not justify forming a local Jewish 'civil guard' there," he insisted. "It is a matter of principle. I don't think that someone who has a security problem should provide the answer himself." Such an approach, he said, would mean that residents of the Golan Heights would defend themselves against the Syrians and the Tel Avivians would not share the burden of defence.

Ancient neuroses

Milton Viorst

IN The Hill of Evil Counsel, Amos Oz says of the newly-established Jewish state, "We turn over a new leaf, only to smudge it with ancient neuroses."

Since coming across that statement some years ago, I have often thought of its large truth. The "ancient neuroses" to which Oz refers are the product of our centuries of persecution. They are deeply rooted in our psyche. They are the common heritage of the Jews.

When I designated them "paranoia" in a lecture I recently delivered to a Jewish audience in Washington, no one challenged the premise, but some asked if I could find a less painful, less invidious term. Among the dictionary's definitions I found "delusions of persecution." Indeed, that was surely what Oz meant, delusions with which our centuries of real persecution have imbued us. As Jews, we possess a reflex which signals to us that the outside world, the world of non-Jews, is hostile, even if there is no perceptible evidence of such an attitude. Whether we are Israeli or American Jews, these neuroses affect our behaviour.

In his *Letter to an American Jewish Friend*, published recently in *The Jerusalem Post*, Shlomo Avineri reminds us of these neuroses, by scolding us, as American Jews, for distancing ourselves from Jonathan Pollard, the American Jew who was sentenced to life imprisonment as a spy for Israel.

Avineri does not defend Pollard, nor does he condone the blundering of whichever Israeli government officials may have been responsible. Nonetheless, he says, Pollard's abandonment reflects "nervousness, insecurity and even cringing on the part of the American Jewish community which runs counter to the conventional wisdom of American Jewry feeling free, secure and unmolested in an open and pluralistic society."

Serious as the charge is, I think Avineri has set up a straw man in making it. Few American Jews would deny the presence of "nervousness" and "insecurity," though perhaps not "cringing," in our community. We are Jews, after all. And though our experience has been consistently more positive than that of the Jews of, say, France or Russia or Egypt, we do not for a moment claim a history free of the smell of anti-Semitism.

Furthermore, our commitment to Israel has created a dilemma of dual loyalty, however loud the disclaimers of the American Jewish leadership. Many Americans reserve a

segment of their personal identities for the land of their origin; we Jews probably reserve a greater part than others for Israel, our spiritual homeland. In so doing, we keep hoping that our characteristics as Jews will not come into conflict with our characteristics as Americans. In fact, we spend what I consider a disproportionate part of our resources in political manipulation to keep such a conflict from occurring. But, since America's interests are not necessarily Israel's, conflict will inevitably arise from time to time.

The Pollard case is one of those conflicts. Disdainfully, Avineri equates our behaviour with the craven forsaking of Dreyfus by France's Jews nearly a century ago. But the two cases are hardly comparable. Dreyfus was framed, Pollard was not. Perhaps there was a hint of anti-Semitism in the severity of the sentence he received, but it would be hard to prove. If Avineri himself cannot defend Pollard, why should we?

Whatever our ancient neuroses, I simply cannot blame them for our detached response to Pollard. On the contrary, many American Jews calculated that to defend a confessed spy was to squander credibility, which Israel may well need another time. On the merits, Pollard was not even a close case.

WHATEVER the anxieties Avineri found in us, I believe beneath the surface of his own words lay the "delusion of persecution." In saying that, I am not trying to recapture the high ground. If anything, the delusion that Avineri expresses is shared by Israeli and American Jews alike, and damages what is precious to both. The Pollard case may be a clear warning.

It is a warning about "ancient neuroses." While every nationalism contains a hint of paranoia, Zionism contains more than most. From the beginning, its very premise has been that *goyim* are hostile. The Jewish state was to free the Jews from dependency for their security upon an untrustworthy, duplicitous, outside world.

In its few years of existence, Israel has certainly experienced real hostility from the outside world. If not the persecution of old, from it there has emerged, in my judgement, "delusions of persecution" that have warped Israel's capacity to make the sound decisions on public policy that its interest requires.

The principal decision concerns the Arabs. No one disputes that they have had hostile designs toward Israel. But the transformation in their attitude toward Jewish sovereignty that many have perceived since 1967 is a prospect which the Jewish state has refused to submit to consideration. Our "ancient neuroses" have produced a paralysis of the spirit. And in the absence of a settlement with its neighbours, Israel has become increasingly dependent on more distant places, chiefly America.

Similarly, though our Jewish natures remind us that the Christian nations of Europe have for two millennia been in the forefront of anti-Semitism, we routinely forget that Israel could not have been established without them. And so Israel alienates one nation by kidnapping an Israeli citizen from its soil, another by refusing extradition of a Jewish thug who claims the right of Return, while it irritates all of Europe by pursuing policies that contribute to dangerous disarray in the Middle East.

Now Pollard's sentence has come along, proof to many Israelis that Israel can no longer count on America either, its one real ally. Are not all *goyim*, ultimately, unreliable? Perhaps the Pollard operation was a subconscious test, for Israel to see how far America could be pushed before renouncing its commitment. In a real sense, it suggests a self-fulfilling prophecy.

Avineri concludes his letter to an American Jewish friend with the admonition that "for all its achievements and promise, America, it now appears, may not be your Promised Land." But he has misplaced the point, which is that Israel has increased its dependency on the United States. The lesson to Jews from the Pollard case is that America is not Israel's promised land.

"Delusions of persecution" — distorting judgement, creating animosities — can in time be a fatal disease. Denouncing American Jews for their failures does not help to cure it. If there is to be a cure, it begins with a fresh examination of the Israeli experience, with an eye to whatever positive relations can be established near to home. A strong effort would mean Israel can still turn over a new leaf, to cover not with the smudges of "ancient neuroses" but with the benefits of a peace settlement. That, too, would be Jewish.

The writer, based in Washington, specializes in the Middle East. His book, *Sands of Sorrow: Israel's Journey from Independence*, is to be published by Harper & Row in April.

Slavery in America

Shabtai Alboher

CONSIDERING the minuscule size of American aliyah, why are Jewish activists not protesting at the United States Embassy in Tel Aviv demanding, "Let My People Go"? Every one assumes, of course, that American Jews are free to join their brethren in the Jewish state. But in reality, American Jews are acting like an oppressed nation that has subordinated its national identity, perhaps unwittingly, to an adopted society and culture.

Many American Jews actually consider themselves to be American by nationality and Jewish by mere accident of birth. Not surprisingly, while imprisoned Soviet Jews proclaim allegiance to the Jewish state, free American Jews, with Pollard in penitentiary, pledge fealty to the U.S. government.

Although Jews and Judaism flourish freely in the U.S., Jewish identification as a separate national entity is thriving in the Soviet Union rather than in Beverly Hills and Boro Park.

Despite their physical freedom, American Jews have become enslaved intellectually, emotionally and economically to a materialistic consumer culture that worships dollars and idolizes individual gain and material gratification.

As thousands of Soviet Jews risk economic hardship, torture, and Siberian vacations to touch the cherished soil of Israel, American Jews, shackled to their freedom, dial their stockbrokers and plan to exit to kosher Caribbean resorts.

WHAT THE American culture accomplishes insidiously, the Soviet government has tried to do directly: extinguish Jewish national identity. But the influence of Soviet repression and anti-Zionist propaganda pales beside the overwhelming power American mass culture exerts on the Jewish mind.

Despite the Constitution, they have forfeited a fundamental human right: the right to be oneself. For a Jew, this means living among the Jewish people in an independent land with a distinct language, religion, morality, cultural identity and historic destiny.

A people that lives freely as individuals, yet desires to live without the components of its national life, ultimately dooms itself to extinction.

MOSES confronted the same dilemma 4,000 years ago when he tried to convince the Jews to go along with a plan for national liberation. They disagreed, wanting only to be made free men in Egypt. Moses recognized, however, that the Jews could not develop their unique culture into the moral and ethical beacon of mankind if they remain among the Egyptian flesh-pots. In order to get them out, he had to tear down the Egyptian culture plague by plague — until the Jews themselves could distinguish between the decadence of Egypt and the vitality of their own national life.

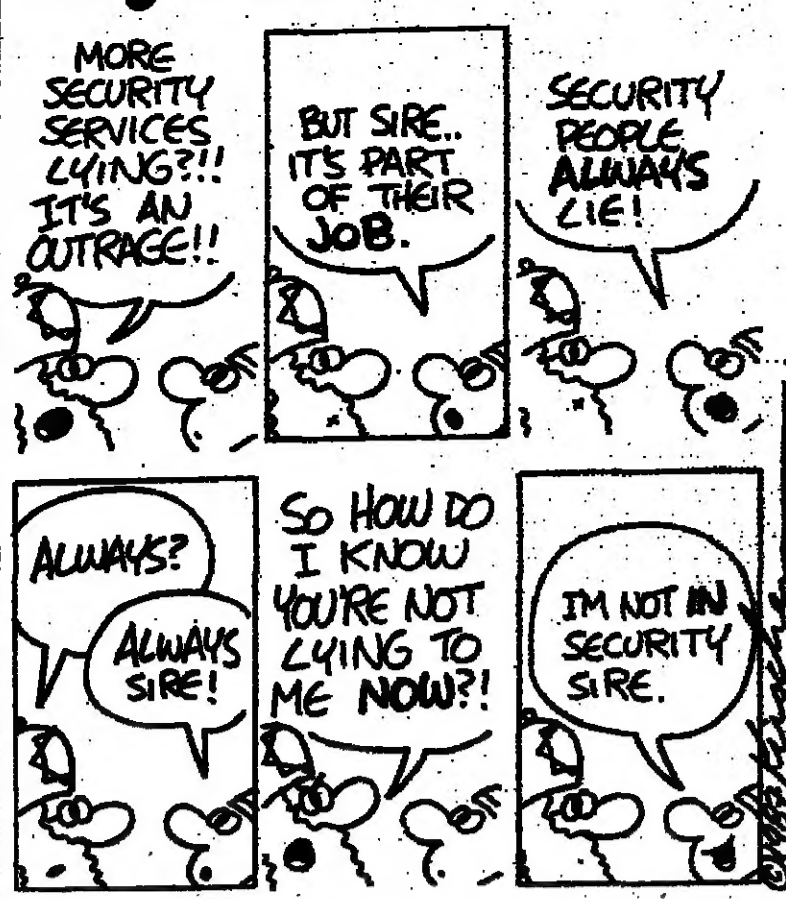
Jewish identity. He asked himself a question that most American Jews will not yet consider posing: "Would my life have value if I cannot be myself?" Mendeleich refused to recant, and today lives as a free man in Jerusalem.

Sadly, for many Soviet Jews (as well as Israelis), their Jewish national identity falls victim to the lure of luxury in the U.S. Aliyah for these upwardly-mobile Jews means cash and a Cadillac rather than a modest apartment in a Jerusalem suburb. Yet despite the "dropouts" and a community about one-third the size of that in the U.S., approximately 165,000 Jews have immigrated to Israel from the USSR since 1948, compared to only about 60,000 from the "land of the free."

Soviet Jewish activists, unencumbered by the culture and distorted values of the American exile, are expressing the true Jewish spirit: the irrepressible desire to return home and build a Jewish life in the Land of Israel. This spirit, burning in every Jewish soul from Moses to Herzl to Mendeleich and Sharansky, has been anesthetized temporarily by the "American dream." Ironically, the process of extricating American Jews from their freedom is far more complex than prying open the doors of the Iron Curtain.

The writer is a New York attorney who recently came on aliya.

Dry Bones



READERS' LETTERS

WATCHDOG COMMITTEE

To the Editor of *The Jerusalem Post* Sir, — In response to articles that appeared in *The Jerusalem Post* and in your weekly supplement *In Jerusalem* regarding a plan to integrate preventive and curative services for children through the Mother and Child Health Centres and the Kupat Holim Health Fund, we would like to provide the following information.

The Jerusalem Children's Council, a child advocacy organization focusing on the welfare of children and the efficacy of available services, has established a watchdog committee with the support of the municipality to follow the three pilot projects now being undertaken and to make recommendations on the basis of a thorough scrutiny of all the factors involved.

The committee is chaired by Professor Michael Davies, former Head of the School of Public Health of the Hebrew University and Hadassah, and comprises public health professionals (pediatricians and nurses), representatives of the various health funds, parents and local communities. The goal of the committee is to ensure that any changes made will maintain the high level of preventive services which the Mother and Child Health Centres have provided.

Information on the council and the public watchdog committee can be obtained from Dr. Helen Rauch-Elnekave, Executive Director, Jerusalem Children's Council, Agrippas St. 111, Jerusalem 94 513. Tel. 02-227173.

ZENA HARMAN
Chairperson,
The Jerusalem Children's Council
Jerusalem.

YIDDISH THEATRE

To the Editor of *The Jerusalem Post* Sir, — I am writing a book on the Yiddish "Shund" Theatre in New York (1884-1918). It is based on research of the plays of the two most successful and popular Yiddish playwrights of the period: Joseph Kessel and Moshe Horwitz.

The "Yiddish 'Shund' Theatre (which included melodrama, theatrical opera and operetta), was a vital element in the life of Jewish immigrants on the Lower East Side and often the only comfort within the hardships they faced in the new land. The press of the period was very critical of this delightful theatre, which was a true community theatre. The theatrical and performance

values of the Yiddish "Shund" Theatre have never been researched because the phenomenon was undervalued by the Jewish intelligentsia.

After laborious research in various archives, I still cannot find photographs of the early period of Yiddish theatre. These might be in private homes, or closets, of grandchildren of the old generation of Yiddish actors. Photographs of scenes of the plays are essential to my effort to reconstruct the golden age of the Yiddish theatre.

ILANA BIALIK
Yivo Institute for Jewish Research
1048 Fifth Avenue
New York, New York, N.Y. 10028.

A CASE OF TREASON

To the Editor of *The Jerusalem Post*

Sir, — Without entering into the rights or wrongs of Jonathan Pollard's actions, I would like to refer to a letter to the editor which appeared on April 1 from "...an American (non-Jewish) who is deeply involved with Israel..." (Gordon M. Fauth). The subject of the letter was a denunciation of the Pollards: Mr. Fauth says that Pollard "...is a

traitor to his country."

Mr. Fauth is a long-established Christian missionary living in Jerusalem whose foremost purpose is the conversion of the Jewish people. If anyone is a "traitor" to his (host) country, if anyone "...chose to betray trust..." it is Mr. Fauth himself.

J. PERLMAN
Yud L'Achim
Jerusalem.

DEVOTED TO ISRAEL

To the Editor of *The Jerusalem Post*

Sir, — I read your London report of April 2 about the PFI (Prayer for Israel) with some surprise. I have known one of the leading personalities of PFI (Ken Burnet) for 40 years. He is an ex-Jewish convert. During our long friendship, he never attempted to convert me. I always admired and valued his devotion to Israel. He and the PFI do a lot to

popularize Israel. Whenever we active Zionists organised something on Zionist lines, we could rely on the PFI's active help.

Every year, Ken Burnet brings two groups of Christian visitors to this country. The PFI is a valuable asset for Israel in her fight for public opinion.

Netanya.
PAUL LAX

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